

**CITY OF BELMONT, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEARS ENDED JUNE 30, 2002 AND JUNE 30, 2001**

**Prepared by**  
**FINANCE DEPARTMENT**

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## **INTRODUCTORY SECTION**

# CITY OF BELMONT

## Comprehensive Annual Financial Report For the Year Ended June 30, 2002

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August 29, 2002



To the Citizens of the City of Belmont, California:

This comprehensive annual financial report of the City of Belmont for the fiscal year ended June 30, 2002, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City, and in particular, the Finance Department. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

This comprehensive annual financial report includes all funds and account groups of the City and its component units. The funds and account groups include information regarding the full range of services the City provides. These services include police and fire protection; sanitation services; construction and maintenance of highways, streets, and infrastructure; community development and redevelopment; parks; recreational and general government activities. The City Council is also financially accountable for the Belmont Fire Protection District, the Belmont Redevelopment Agency, and the Belmont Joint Powers Financing Authority; therefore, these component unit activities are included in the accompanying general purpose financial statements. Furthermore, the City participates in a number of joint ventures and authorities, which exist due to joint exercise of power agreements. An equity interest is reported for the South Bayside System Authority (SBSA). The complete financial activities have not been included for this entity, nor for South County Fire Protection Authority (SCFA), Family and Community Enrichment Services, Inc., City/County Association of Governments of San Mateo County (C/CAG), Inter-City Transportation System Management Authority and the South Bayside Transfer Station Authority, as the City Council is not financially accountable for them. Other entities, which have been excluded, that do not meet the established criteria for inclusion in the reporting entity are the Belmont Elementary School District and the Mid-Peninsula Water District.

## **CELEBRATION OF BELMONT'S 75<sup>TH</sup> ANNIVERSARY**

The City of Belmont celebrated its Diamond Jubilee 75<sup>th</sup> anniversary in December 2001. In commemoration of this historical milestone, the City of Belmont wishes to celebrate the spirit and



tradition of our community. Accordingly, the comprehensive financial report includes a pictorial of highlights from the City's 75<sup>th</sup> anniversary parade.

## **ECONOMIC CONDITION AND OUTLOOK**

Located on the San Francisco peninsula midway between San Francisco and San Jose, the City of Belmont felt the effects of the national recession, as further exacerbated by the events of September 11<sup>th</sup>. As a consequence, the City, like many other municipalities, will face significant challenges for the future.

Management's outlook for the near term future is guarded as the regional economy continues to suffer. While many of the City's revenue sources are stable, the potential for revenue shortfalls exists based on initial projections. This is particularly true for economic driven revenues such as sales tax, transient occupancy tax, service charges, rental income and interest income. This forecast is tempered due the relatively small commercial area that limits the City's exposure to economic fluctuations to the same extent as surrounding areas. A further concern for the future is the impact to the City due to adverse actions taken by the State of California. For instance, the State contemplates including the City as a part of their solution in dealing with a multi-billion dollar budget deficit by extending the Educational Relief Augmentation Fund (ERAF) transfers to the Belmont Redevelopment Agency and limiting state mandate reimbursements to \$1,000 per claim. The total impact of these actions is estimate to exceed several hundred thousands dollars.

As indicated previously, the near term General Fund revenue outlook for the future of the City is difficult to predict. The City is experiencing mixed performance results with signs of significant continued weakness in technology-based sectors. For example, in the area of property taxes, sales of existing homes are slowing based on recent data regarding property transfers. Conversely, development activity in the Belmont Redevelopment Agency's Los Costanos Project Area continues and several noteworthy projects have been completed and are planned thus expanding that portion of the City's tax base. However, sales taxes have declined substantial over the past year in most categories, e.g. electronic equipment, office equipment, light industry and business service. Fortunately, auto sales and leasing has been holding steady through the period. And finally, as a combined result of the 9-11 Terrorist Attacks and the poor economy, transient occupancy taxes receipts are down as business travel is curtailed.

Potentially the most significant impact affecting the future of the City's General Fund is a State imposed revenue reduction. Recent reports from the State of California's Legislative Analyst indicate a multi billion budget shortfall continuing for the next several years. In the early 1990s, the State shifted billions of dollars from local government, primarily cities and counties, to schools as part of their budget balancing strategy (ERAF). On a combined basis, the ERAF shift has grown to approximately two-thirds of a million dollars annually.

Management's outlook for the Belmont Redevelopment Agency is neutral. Examples of some of the activity which has bolstered the Agency are as follows: Oral-B/Gillette Canada building (600 Clipper Drive) expansion of approximately 38,765 S.F. increased valuation by an estimated \$8

million and was completed in fall 2001. Sixty-five assisted living units (900 Sixth Avenue) were completed in November 2001 with estimated valuation for this project at \$6 million. Finally, Extended Stay of America Hotel is under construction (120 Sem Lane) and is estimated for completion in March 2003. The project is a 108 room, 57,000 S.F. hotel valued at approximately \$6 million.

Construction activity from private development is expected to continue into subsequent fiscal years. Projects under construction and due for completion are the Sunrise Assisted Living Facility (1000 Alameda de la Pulgas) seventy-eight units valued at \$8 million slated for occupancy December 2002, and Ross Woods (One Davey Glen Road) thirty-two residential units with an assessed valuation of approximately \$20 million. Proposed projects include 25 residential units on 13,000 square feet at the San Mateo Mental Health Association Building (F Street and El Camino Real) with an estimated valuation of \$4.1 million and a 17,290 S.F. mixed retail/office commercial building at 877 Ralston Avenue estimated at \$5 million.

In conclusion, the economy is expected to recover, however, management is unable to predict when this is likely to occur. While many of the City's revenue sources while likely see no growth, property taxes are expected to grow modestly because of the tight housing market in the area. Other economic development activities, which are expected to provide additional improvement to the General Fund revenue picture beginning next fiscal year, are more fully described in the following section. However, adverse State actions could overshadow the City's future economic outlook.

## **MAJOR INITIATIVES**

The major initiatives for the year were developed through the budget planning process. The budget planning process began last year with the City Council establishing goals and setting priorities. City Council held several sessions to establish goals. These goals were then prioritized and became the basis for allocating resources. With City Council's direction, the management team refined the goals and developed basic strategies and specific objectives for achieving each goal.

An example of this strategy is the City's Five Year Capital Improvement Program that identifies specific capital improvement and economic development projects. These projects will improve the economic base of the City and, consequently, the revenue picture for the future.

For the past several years, the City has been working in cooperation with the City of San Carlos to construct the \$95.3 million Ralston/Harbor/Holly Grade Separation. This project separates the streets and sidewalks from the rail lines at Ralston Avenue and Harbor Boulevard in Belmont and Holly Street in San Carlos. This project was substantially completed in the fall of 2000 and is awaiting final approvals from the participating agencies

The City has several other major initiatives underway. Most notably is the City of Belmont's City Hall Retrofit/Police Facility project. An architect has been selected and the project is being reconstituted. Additionally, the South County Fire Protection Authority (SCFA) has awarded a contract for purposes of demolishing the existing fire station and constructing a 9,000 square foot fire station at an estimated cost of \$2.9 million. The new fire station is expected to be placed in service by winter of 2003. This project is funded in its entirety by the SCFA. Furthermore, in March

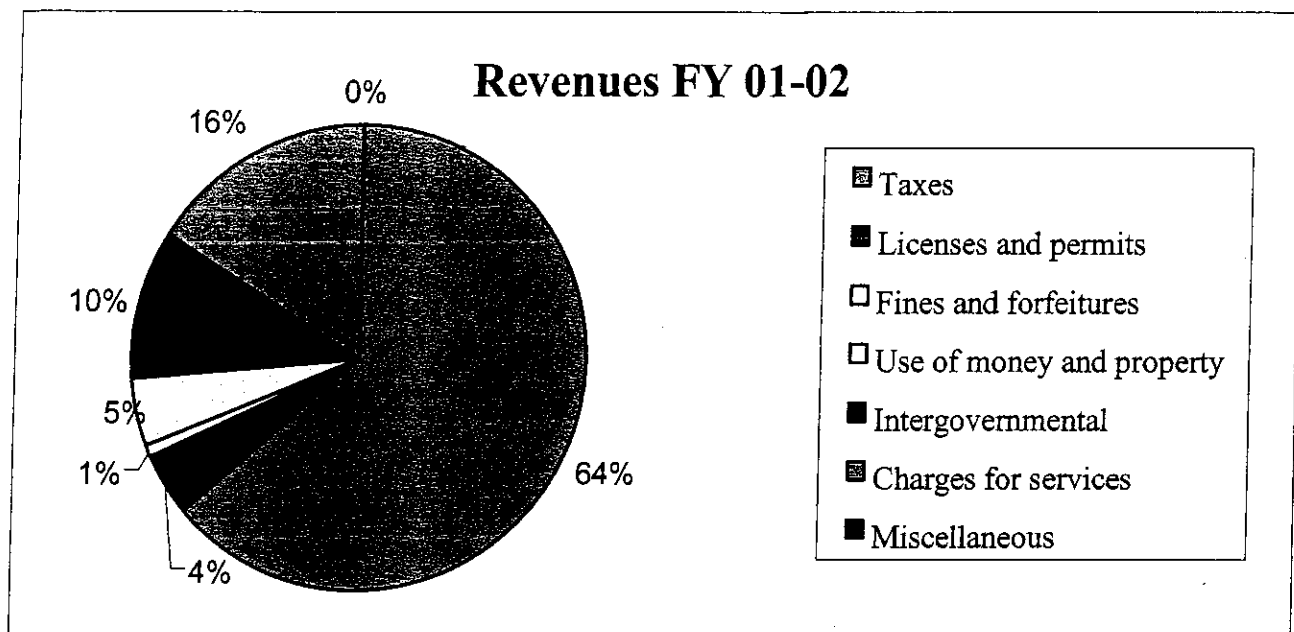
2001, the voters approved issuing a \$8.65 million, thirty year, Mello-Roos bond to support construction of a \$15.9 million library and improvements to an adjacent park at 1100 Alameda de las Pulgas. The project is expected to be completed in winter of 2005, assuming a grant award is received from the State's Proposition 14 Library Construction Bond in late 2002. Lastly, the City of Belmont contemplates contributing \$2.1 million towards the construction of a \$17.8 million interchange improvement project located at the Ralston Avenue and State Highway 101. This project is being led by the City of Redwood City. This project includes extensive reconfiguration and expansion of the roadway system to improve traffic circulation into and out of the City of Belmont's Island Parkway area and the City of Redwood City's Redwood Shores area. The project is currently scheduled for completion in fall 2004.

## **FINANCIAL INFORMATION**

The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgments by management.

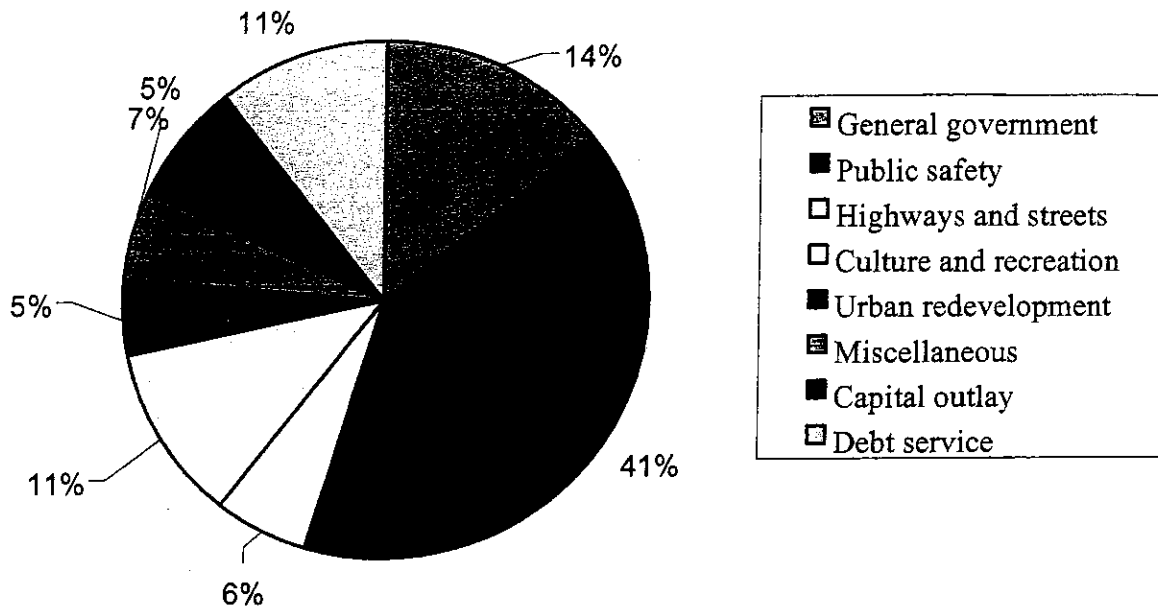
Budgetary Controls. The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the Annual Budget approved by the City Council. Activities of all funds, except agency funds, are included in the Annual Budget. The City adopts a five-year capital improvement program, but only appropriates the current year's expenditures in the Annual Budget. The level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Presentations of budgetary comparison statements include a more detailed level of information for analysis purposes. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are reported as a reservation of fund balance and are automatically re-appropriated in the following year.

General Government Functions. The City's General Fund revenue for the year decreased \$911,158 (7%) over previous year. The decrease is primarily attributable to the \$941,852 decrease in sales and use tax and the \$307,879 decrease in transient occupancy taxes. These decreases were partially offset by an increase in property tax (9%) and in charges for services (14%).



Revenues	Amount (in thousands)	Percent of Total	Increase (Decrease) from 00-01	Percent of Increase (Decrease)
Taxes	\$ 17,272	64%	\$ 53	0%
Licenses and permits	1,217	4%	236	24%
Fines and forfeitures	201	1%	(17)	-8%
Use of money and property	1,293	5%	(774)	-37%
Intergovernmental	2,816	10%	(5,111)	-64%
Charges for services	4,334	16%	349	9%
Miscellaneous	36	0%	(49)	-58%
<b>Total</b>	<b>\$ 27,169</b>	<b>100%</b>	<b>\$ (5,313)</b>	

## Expenditures FY 01-02



Expenditures	Amount (in thousands)	Percent of Total	Increase (Decrease) from 00-01	Percent of Increase (Decrease)
General government	\$ 3,995	14%	\$ 354	10%
Public safety	11,317	41%	1,159	11%
Highways and streets	1,652	6%	17	1%
Culture and recreation	3,145	11%	183	6%
Urban redevelopment	1,321	5%	59	5%
Miscellaneous	1,536	5%	281	22%
Capital outlay	2,084	7%	(5,383)	-72%
Debt service	2,991	11%	216	8%
<b>Total</b>	<b>\$ 28,041</b>	<b>100%</b>	<b>\$ (3,114)</b>	

The preceding schedule titled, **Revenues FY 01-02**, presents a summary of revenues for the General Fund, special revenue, debt service and capital projects funds for the fiscal year ended June 30, 2002, and the amount and percentage of increases and decreases in relation to prior year revenues. Amounts are expressed in thousands.

and the amount and percentage of increases and decreases in relation to prior year revenues. Amounts are expressed in thousands.

Explanations for major increases and decreases from the prior year are as follows:

On an aggregate basis, the modest increase results from property tax growth in the Redevelopment Agency project area, City of Belmont and Belmont Fire Protection District. This growth has been offset by reductions in sales taxes.

The increase in licenses and permits is due to CPI adjustments to the business license tax and implementation of revised permit fees pursuant to a master fee study adopted in June 2001.

The increase in charges for services is primarily due to cost recoveries for administrative functions charged to others.

Use of money and property is down due to lower investment returns.

Intergovernmental revenues are substantially lower due to reductions in billing state and local agencies for costs associated with the Grade Separation project, as the project is virtually complete.

The preceding schedule titled, **Expenditures FY 01-02**, presents a summary of the expenditures for the General Fund, special revenue, debt service and capital projects funds for the fiscal year ended June 30, 2002, and the percentage of increases and decreases in relation to prior year amounts. Amounts are expressed in thousands.

Explanations for major increases and decreases from the prior year are as follows:

The increase in general government, public safety and culture and recreation expenditures is largely due to the filling of numerous vacancies, implementation costs of new multi-year labor agreements and contract fees associated with funding SCFA services.

Miscellaneous expenditures are higher due to tax rebates made to school districts pursuant to a pass-through agreement with the Belmont Redevelopment Agency.

Reductions in capital outlay are primarily associated with the completion of the Grade Separation project and design work for several large projects.

Debt service expenditures are up due to larger principal payments made on outstanding Belmont Redevelopment agency debt.

General Fund Balance. The fund balance of the General Fund decreased by \$892,312 or 24% in FY 01-02 to \$2,812,295. Lower tax revenue caused by the effects of the national recession as further exacerbated by the events of September 11<sup>th</sup> led to the decrease. Fund balance stabilization at or above \$2 million or 20% of operating expenditures in future years is planned as part of the City of Belmont's strategic financial plan.

The City of Belmont has not found it necessary to enter the short-term debt market to pay for current operating expenditures.

Ralston Avenue and Harbor Boulevard Grade Separation Projects. Total project budget is \$58 million. San Mateo County Transit Authority (SMCTA) 44%, California Department of

Transportation (CalTrans) 50%, and the City of Belmont 6% (to a maximum of \$1.4 million) fund Ralston Avenue project. Harbor Boulevard project is funded 100 % by SMCTA. As of June 30, 2002, the City held a \$2 million advance from SMCTA to fund project costs, including the acquisition of property. Subject to approval by SMCTA, cash will offset this advance with fiscal agent and a due from other governmental agencies the City has with SMCTA for reimbursement of project costs.

Enterprise Operations. The enterprise operations are composed of the sanitary sewer and storm drainage activities. These operations are similar to a private business enterprise where the intent is that all operating and capital costs be covered by user charges.

The sewer enterprise rates are set to recover costs and provide capital funds. For the year ended June 30, 2002, net income before the effects of the investment in the joint venture sewer treatment plant and operating transfers was \$167,083. Net income represents the portion of the user charges that are to be used for maintenance and replacement of the sewer system.

On July 25, 2000, the City Council adopted usage based rates for sewer services. The new usage based rates are expected to reverse the erosion of retained earnings experienced in the prior years and provide funding for a comprehensive rehabilitation of the collection system.

The storm drainage activities were established as an enterprise July 1, 1994. A new fee was approved at that time to cover the cost of the activity. It includes street sweeping, storm drain cleaning and improvements and any other activities required complying with the federal National Pollution Discharge Elimination System. Net income (loss) before operating transfers was (\$103,819). This loss will be covered by subsidies from other funds. No capital component has been included in the current fee structure.

Debt Administration. At June 30, 2002, the City has six debt issues outstanding. Of these, \$33,760,000 are tax increment tax allocation bonds, \$128,876 advance from the City and \$2,433,580 is a note payable to a private party.

The Redevelopment Agency's bonded indebtedness carries an "AAA" or equivalent rating by the various rating agencies.

Under current state statutes, a general law city's general obligation bonded debt issuance is subject to a legal limitation based on 15% of total assessed value of secured and unsecured property. As of June 30, 2002, the City had no general obligation bonded debt. The legal debt margin was \$434,906,652 with debt per capita equaling \$.00 based on a population of 25,255.

The City has a \$2,433,580 loan from Oracle Corporation pursuant to the terms and conditions of a development and disposition agreement. \$433,580 is unrestricted and can be used for any governmental purpose. The balance, or \$2,000,000 is restricted and can only be used for construction of the Direct Access – Ralston/101 Interchange project previously discussed. The amount is evidenced by a note payable and is repaid solely through the receipt of sale tax generated by Oracle Corporation. The note carries interest that is indexed to the return on L.A.I.F. state investment pool.

Cash Management. Cash temporarily idle during the year was invested in U.S. Government securities and with the State Treasurer's Local Agency Investment Fund (L.A.I.F.). The average

yield on investments held at L.A.I.F. was 3.43%. The City earned interest revenue of \$995,994 on all investments for the year ended June 30, 2002.

The City's investment policy is conservative. Its goal is to maximize earnings while minimizing credit and market risks.

Risk Management. Since 1996, the City has purchased private workers' compensation insurance. All claims from that date are covered 100% by the carrier. Prior to 1996, the City maintained a self-insurance program for workers' compensation. Consequently, the City retains risk for all claims up to \$275,000. Claims in excess of that amount are covered by an excess insurance policy for up to \$2,000,000. As of June 30, 2002, the workers' compensation fund shows a contingency margin above the estimated liabilities of \$74,396.

During the year, the City also retains risk for general liability claims up to \$75,000 per claim. Claims in excess of that amount are covered by an insurance policy up to \$20,000,000. As of June 30, 2002, the liability fund shows a contingency margin above the estimated liabilities of \$545,250.

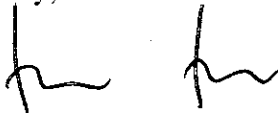
## **OTHER INFORMATION**

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of Maze & Associates was engaged as the City's independent auditors. The independent auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Award Recognition. The City has received from the Government Finance Officers Association of the United States and Canada (GFOA) the *Certificate of Achievement for Excellence in Financial Reporting* for the year ended June 30, 2001. As authorized by GFOA, the certificate is included in this comprehensive annual financial report. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is expressed to all those who assisted and contributed to its preparation.

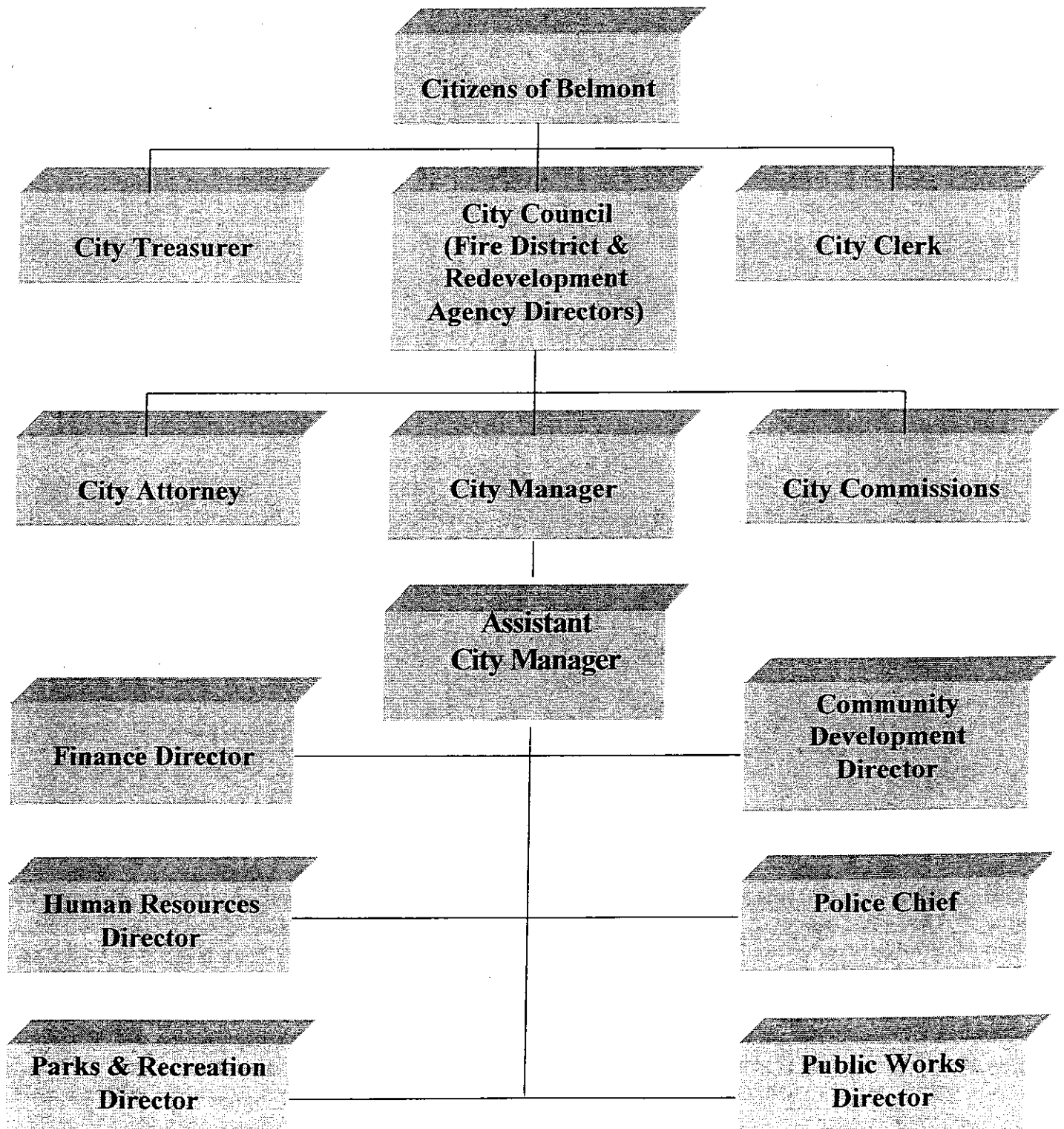
Sincerely,



Thomas E. Fil, C.P.A., C.P.F.O.  
Finance Director



# ORGANIZATION CHART



## List of City Officials

### Elected Officials

Mayor-Council Member	Dave Warden
Vice Mayor-Council Member	Paul Wright
Council Member	Terri Cook
Council Member	George Metropulos
Council Member	Dave Bauer
City Treasurer	Howard E. Mason, Jr.
Interim City Clerk	Kathy Kern

### Appointed Officials

City Manager	Jere Kersnar
Assistant City Manager	Dan Rich
City Attorney	Jean Savaree
Finance Director	Thomas Fil
Human Resources Director	Deirdre Dolan
Parks & Recreation Director	Karl Mittelstadt
Community Development Director	Craig Ewing
Police Chief	Greg Jenke
Public Works Director	Ray Davis

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Belmont,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Timothy A. Brown*  
President

*Jeffrey L. Esser*  
Executive Director

**INDEPENDENT AUDITOR'S REPORT ON  
GENERAL PURPOSE FINANCIAL STATEMENTS**

To the Honorable City Council of  
the City of Belmont, California

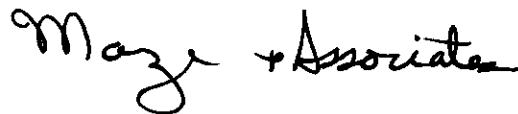
We have audited the general purpose financial statements of the City of Belmont as of and for the years ended June 30, 2002 and 2001 as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects the financial position of the City of Belmont at June 30, 2002 and 2001 and the results of its operations and the cash flows of its proprietary fund types for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental section listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Belmont. Such information has been subjected to the auditing procedures applied in our audits of the general purpose financial statements, and in our opinion is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical section listed in the Table of Contents was not audited by us, and we do not express an opinion on this information.



August 29, 2002

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## **CITY OF BELMONT**

### **COMBINED STATEMENTS OVERVIEW**

These statements provide an overview of the combined financial position and the operating results of all fund types and account groups. Individual funds utilized by the City are grouped in these statements as follows:

#### **GOVERNMENTAL FUND TYPE OPERATION**

These funds (general, special revenue, debt service and capital improvement) are those through which governmental functions are typically funded with the emphasis on sources and uses of resources.

#### **PROPRIETARY FUND TYPE OPERATION**

These funds (enterprise and internal service) are used to account for activities similar to private industry with the emphasis on net income determination.

#### **FIDUCIARY FUND TYPE**

These funds account for assets held by the City as an agent for others.

#### **ACCOUNT GROUPS**

Account groups are used to establish accounting control for the City's general fixed assets and unmatured principal of its general long-term debt. Because these assets and liabilities are long-term they are neither spendable resources nor do they require current appropriation. They are accounted for separate from governmental fund types.

CITY OF BELMONT  
COMBINED BALANCE SHEETS  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>ASSETS AND OTHER DEBITS</b>						
Cash and investments (Note 3)	\$2,019,941	\$4,780,951	\$1,373,427	\$19,317,395	\$6,274,410	\$2,222,285
Cash and investments with fiscal agent (Note 3)		135	2,172,363	2,021,298	622,492	
Receivables:						
Accounts	226,713	20,051			143,102	
Interest	219,841					
Due from other governmental agencies	652,731	559,536		1,226,621		
Notes (Note 5)		930,066				
Advance to other funds (Note 8)	128,876					
Due from other funds (Note 4)	110,439					
Long term interfund receivables (Note 4)	240,140					189,849
Prepays and other assets	15,193			220,307		41,953
Land held for redevelopment (Note 6)		1,280,000		298,748		
Investment in SBSA- Joint Venture (Note 13)					5,024,471	
Fixed assets, net (Note 7)					8,862,429	1,296,846
Amount available in debt service funds						
Amount to be provided for retirement of long-term debt						
<b>Total Assets and Other Debits</b>	<b>\$3,613,874</b>	<b>\$7,570,739</b>	<b>\$3,545,790</b>	<b>\$23,084,369</b>	<b>\$20,926,904</b>	<b>\$3,750,933</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>						
<b>LIABILITIES:</b>						
Accounts payable, compensated absences, claims and other liabilities / contracts payable	\$229,403	\$284,917		\$1,238,432	\$414,045	\$628,670
Deposits	247,919	16,792				
Deferred revenue	134,408			220,307		
Due to other funds (Note 4)		110,439				
Advance from SMCTA (Note 15)				2,021,298		
Long-term interfund payables (Note 4)	189,849	240,140				
Advance from other funds (Note 8)					7,500,000	
Long-term debt (Note 8)						
Section 125 benefits payable						
<b>Total Liabilities</b>	<b>801,579</b>	<b>652,288</b>		<b>3,480,037</b>	<b>7,914,045</b>	<b>628,670</b>
<b>FUND EQUITY AND OTHER CREDITS:</b>						
Contributed capital					7,242,912	7,627
Investment in general fixed assets						
Retained earnings:						
Unreserved					5,769,947	3,114,636
Fund balances (Note 9):						
Reserved for:						
Land held for redevelopment		1,280,000		298,748		
Debt service			\$3,532,447			
Encumbrances	58,552	567,474		624,376		
Prepays and notes receivable	15,193	930,066		220,307		
Advance to other funds	369,016					
Low and moderate income housing		3,928,043				
Capital projects				3,539,035		
Unreserved, designated for:						
Capital projects				7,050,349		
Debt service			13,343			
Unreserved, undesignated	2,369,534	212,868		7,871,517		
<b>Total Equity and Other Credits</b>	<b>2,812,295</b>	<b>6,918,451</b>	<b>3,545,790</b>	<b>19,604,332</b>	<b>13,012,859</b>	<b>3,122,263</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$3,613,874</b>	<b>\$7,570,739</b>	<b>\$3,545,790</b>	<b>\$23,084,369</b>	<b>\$20,926,904</b>	<b>\$3,750,933</b>

See accompanying notes to financial statements

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
	General Fixed Assets	General Long- Term Obligations	2002	2001
\$25,373			\$36,013,782 4,816,288	\$29,292,753 4,433,528
			389,866	1,262,160
			219,841	320,434
			2,438,888	2,590,126
			930,066	1,054,616
			128,876	127,410
			110,439	520,179
			429,989	294,220
			277,453	24,227
			1,578,748	1,578,748
			5,024,471	4,886,873
	\$23,993,511		34,152,786	33,027,424
		\$3,545,790	3,545,790	3,480,609
		26,271,961	26,271,961	27,133,760
<u>\$25,373</u>	<u>\$23,993,511</u>	<u>\$29,817,751</u>	<u>\$116,329,244</u>	<u>\$110,027,067</u>
\$20,452		\$995,295	\$3,790,762	\$4,760,875
			285,163	214,721
			354,715	197,251
			110,439	520,179
			2,021,298	2,034,136
			429,989	294,220
		128,876	128,876	127,410
		28,693,580	36,193,580	29,452,604
4,921			4,921	558
<u>25,373</u>		<u>29,817,751</u>	<u>43,319,743</u>	<u>37,601,954</u>
			7,250,539	7,281,044
	\$23,993,511		23,993,511	23,755,813
			8,884,583	8,124,979
			1,578,748	1,578,748
			3,532,447	3,453,692
			1,250,402	1,237,285
			1,165,566	1,073,450
			369,016	127,410
			3,928,043	3,104,877
			3,539,035	4,075,489
			7,050,349	6,605,518
			13,343	26,917
			10,453,919	11,979,891
	<u>23,993,511</u>		<u>73,009,501</u>	<u>72,425,113</u>
<u>\$25,373</u>	<u>\$23,993,511</u>	<u>\$29,817,751</u>	<u>\$116,329,244</u>	<u>\$110,027,067</u>



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CITY OF BELMONT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				TOTALS (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	2002	2001
REVENUES						
Taxes	\$6,871,288	\$6,601,015	\$3,720,102	\$80,000	\$17,272,405	\$17,218,177
Licenses and permits	544,190	672,474			1,216,664	981,062
Fines and forfeitures	200,885				200,885	218,520
Use of money and property	436,829	169,934	72,350	613,988	1,293,101	2,066,853
Intergovernmental	1,836,739	876,031	11	102,713	2,815,494	7,927,064
Charges for current services	3,035,743	1,298,745			4,334,488	3,985,618
Miscellaneous	3,813	31,658		500	35,971	84,802
Total Revenues	<u>12,929,487</u>	<u>9,649,857</u>	<u>3,792,463</u>	<u>797,201</u>	<u>27,169,008</u>	<u>32,482,096</u>
EXPENDITURES						
General government	3,994,858				3,994,858	3,641,150
Public safety	6,292,953	5,024,390			11,317,343	10,157,682
Highways and streets		1,651,753			1,651,753	1,635,427
Culture and recreation	2,125,959	1,019,436			3,145,395	2,962,215
Urban redevelopment		1,320,977			1,320,977	1,262,089
Miscellaneous	120,881		1,414,786		1,535,667	1,255,242
Capital outlay		1,017,828		1,066,529	2,084,357	7,466,548
Debt service:						
Principal		100,000	1,253,724		1,353,724	1,194,337
Interest and fiscal charges		215,839	1,416,956	3,849	1,636,644	1,580,551
Total Expenditures	<u>12,534,651</u>	<u>10,350,223</u>	<u>4,085,466</u>	<u>1,070,378</u>	<u>28,040,718</u>	<u>31,155,241</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>394,836</u>	<u>(700,366)</u>	<u>(293,003)</u>	<u>(273,177)</u>	<u>(871,710)</u>	<u>1,326,855</u>
OTHER FINANCING SOURCES (USES)						
Proceeds of long-term borrowings (Note 8)		596,166			596,166	524,351
Operating transfers in (Note 4)	6,156	972,412	358,184	357,430	1,694,182	4,844,142
Operating transfers (out) (Note 4)	(1,293,304)	(372,743)		(135,000)	(1,801,047)	(4,949,642)
Total Other Financing Sources (Uses)	<u>(1,287,148)</u>	<u>1,195,835</u>	<u>358,184</u>	<u>222,430</u>	<u>489,301</u>	<u>418,851</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(892,312)</u>	<u>495,469</u>	<u>65,181</u>	<u>(50,747)</u>	<u>(382,409)</u>	<u>1,745,706</u>
Fund balances at beginning of year	3,704,607	6,422,982	3,480,609	19,655,079	33,263,277	31,517,571
Residual equity transfers in (Note 4)				2,179	2,179	
Residual equity transfers (out) (Note 4)				(2,179)	(2,179)	
FUND BALANCES AT END OF YEAR	<u>\$2,812,295</u>	<u>\$6,918,451</u>	<u>\$3,545,790</u>	<u>\$19,604,332</u>	<u>\$32,880,868</u>	<u>\$33,263,277</u>

See accompanying notes to financial statements

CITY OF BELMONT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$8,031,527	\$6,871,288	(\$1,160,239)	\$6,691,572	\$6,601,015	(\$90,557)
Licenses and permits	511,785	544,190	32,405	536,500	672,474	135,974
Fines and forfeitures	163,765	200,885	37,120			
Use of money and property	484,955	436,829	(48,126)	181,370	169,934	(11,436)
Intergovernmental	2,048,666	1,836,739	(211,927)	1,972,025	876,031	(1,095,994)
Charges for current services	3,049,272	3,035,743	(13,529)	1,695,901	1,298,745	(397,156)
Miscellaneous	25,000	3,813	(21,187)	28,400	31,658	3,258
Total Revenues	14,314,970	12,929,487	(1,385,483)	11,105,768	9,649,857	(1,455,911)
EXPENDITURES						
General government	4,102,062	3,994,858	107,204			
Public safety	6,379,457	6,292,953	86,504	5,331,646	5,024,390	307,256
Highways and streets				1,741,585	1,651,753	89,832
Culture and recreation	2,356,422	2,125,959	230,463	1,029,034	1,019,436	9,598
Urban redevelopment				1,872,609	1,320,977	551,632
Miscellaneous	194,509	120,881	73,628			
Capital outlay				3,853,614	1,017,828	2,835,786
Debt service:						
Principal				95,000	100,000	(5,000)
Interest and fiscal charges				222,421	215,839	6,582
Total Expenditures	13,032,450	12,534,651	497,799	14,145,909	10,350,223	3,795,686
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,282,520	394,836	(887,684)	(3,040,141)	(700,366)	2,339,775
OTHER FINANCING SOURCES (USES)						
Proceeds of long-term borrowings				1,611,010	596,166	(1,014,844)
Operating transfers in		6,156	6,156	966,845	972,412	5,567
Operating transfers (out)	(1,228,422)	(1,293,304)	(64,882)	(366,587)	(372,743)	(6,156)
Total Other Financing Sources (Uses)	(1,228,422)	(1,287,148)	(58,726)	2,211,268	1,195,835	(1,015,433)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$54,098	(892,312)	(\$946,410)	(\$828,873)	495,469	\$1,324,342
Adjustments to budgetary basis:						
Fund balance of Special Assessment						
District Capital Projects						
Fund balances at beginning of year		3,704,607			6,422,982	
FUND BALANCES AT END OF YEAR		\$2,812,295			\$6,918,451	

See accompanying notes to financial statements

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$1,119,168	\$3,720,102	\$2,600,934	\$700,000	\$80,000	(\$620,000)
43,090	72,350	29,260	883,424	611,337	(272,087)
	11	11	313,139	89,875	(223,264)
			300,000	500	(299,500)
<u>1,162,258</u>	<u>3,792,463</u>	<u>2,630,205</u>	<u>2,196,563</u>	<u>781,712</u>	<u>(1,414,851)</u>
987,665	1,414,786	(427,121)	16,386,310	1,053,691	15,332,619
1,464,529	1,253,724	210,805			
<u>1,435,380</u>	<u>1,416,956</u>	<u>18,424</u>	<u>3,850</u>	<u>3,849</u>	<u>1</u>
<u>3,887,574</u>	<u>4,085,466</u>	<u>(197,892)</u>	<u>16,390,160</u>	<u>1,057,540</u>	<u>15,332,620</u>
<u>(2,725,316)</u>	<u>(293,003)</u>	<u>2,432,313</u>	<u>(14,193,597)</u>	<u>(275,828)</u>	<u>13,917,769</u>
358,184	358,184		251,587	357,430	105,843
			<u>(85,000)</u>	<u>(135,000)</u>	<u>(50,000)</u>
<u>358,184</u>	<u>358,184</u>		<u>166,587</u>	<u>222,430</u>	<u>55,843</u>
<u>(\$2,367,132)</u>	65,181	<u>\$2,432,313</u>	<u>(\$14,027,010)</u>	(53,398)	<u>\$13,973,612</u>
				244,578	
	<u>3,480,609</u>			<u>19,413,152</u>	
	<u>\$3,545,790</u>			<u>\$19,604,332</u>	

CITY OF BELMONT  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	PROPRIETARY FUND TYPES		TOTALS (Memorandum Only)	
	Enterprise	Internal Service	2002	2001
<b>OPERATING REVENUES</b>				
Charges for current services:				
Sewer service charges	\$3,184,579		\$3,184,579	\$2,925,668
Sewer connection fees	178,446		178,446	187,538
NPDES storm drain charges	399,208		399,208	380,929
Interdepartmental charges		\$3,127,327	3,127,327	2,784,230
Total Operating Revenues	<u>3,762,233</u>	<u>3,127,327</u>	<u>6,889,560</u>	<u>6,278,365</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,009,142		1,009,142	908,634
Sewer services and supplies	1,628,115		1,628,115	2,208,276
Sewer treatment	916,889		916,889	876,672
Insurance premiums		432,169	432,169	297,229
Professional and legal		465,742	465,742	419,406
Operating costs		1,175,491	1,175,491	1,075,963
Insurance claims, net of change in claims payable		233,390	233,390	192,943
Depreciation	263,920	387,560	651,480	498,279
Total Operating Expenses	<u>3,818,066</u>	<u>2,694,352</u>	<u>6,512,418</u>	<u>6,477,402</u>
Operating Income (Loss)	<u>(55,833)</u>	<u>432,975</u>	<u>377,142</u>	<u>(199,037)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Proceeds from the sale of fixed assets		36,589	36,589	10,174
Interest	161,854	189,768	351,622	386,365
Equity interest in SBSA - Joint Venture	(159,400)		(159,400)	(342,254)
Grant revenues		59,038	59,038	4,500
Interest expense	(41,706)		(41,706)	
Miscellaneous	(1,051)		(1,051)	20,742
Net Nonoperating Revenues (Expenses)	<u>(40,303)</u>	<u>285,395</u>	<u>245,092</u>	<u>79,527</u>
Income (Loss) Before Operating Transfers	<u>(96,136)</u>	<u>718,370</u>	<u>622,234</u>	<u>(119,510)</u>
<b>OPERATING TRANSFERS (Note 4)</b>				
Operating transfers in	1,010,125	106,865	1,116,990	210,800
Operating transfers (out)	<u>(1,010,125)</u>		<u>(1,010,125)</u>	<u>(105,300)</u>
Net Income (Loss)	<u>(96,136)</u>	<u>825,235</u>	<u>729,099</u>	<u>(14,010)</u>
Depreciation of contributed capital		30,505	30,505	121,356
Retained earnings at beginning of year	<u>5,866,083</u>	<u>2,258,896</u>	<u>8,124,979</u>	<u>8,017,633</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$5,769,947</u></u>	<u><u>\$3,114,636</u></u>	<u><u>\$8,884,583</u></u>	<u><u>\$8,124,979</u></u>

See accompanying notes to financial statements

CITY OF BELMONT  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	PROPRIETARY FUND TYPES		TOTALS (Memorandum Only)	
	Enterprise	Internal Service	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	(\$55,833)	\$432,975	\$377,142	(\$199,037)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	263,920	387,560	651,480	498,279
Miscellaneous	(1,051)		(1,051)	20,742
Accounts receivable	148,296		148,296	(88,038)
Inventories		(36,560)	(36,560)	(917)
Accounts payable	77,646		77,646	13,992
Insurance claims payable		(141,079)	(141,079)	(100,085)
Compensated absences	(3,957)		(3,957)	17,851
Cash Flows from Operating Activities	<u>429,021</u>	<u>642,896</u>	<u>1,071,917</u>	<u>162,787</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments to other funds		104,371	104,371	91,779
Grant revenues				4,500
Miscellaneous		59,038	59,038	
Operating transfers in	1,010,125	106,865	1,116,990	210,800
Operating transfers (out)	<u>(1,010,125)</u>		<u>(1,010,125)</u>	<u>(105,300)</u>
Cash Flows from Noncapital Financing Activities		<u>270,274</u>	<u>270,274</u>	<u>201,779</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from long term debt	7,500,000		7,500,000	
Proceeds from sale of fixed assets		36,589	36,589	10,174
Interest expense	(41,706)		(41,706)	
Fixed asset additions	<u>(1,117,194)</u>	<u>(421,950)</u>	<u>(1,539,144)</u>	<u>(1,015,233)</u>
Cash Flows from Capital and Related Financing Activities	<u>6,341,100</u>	<u>(385,361)</u>	<u>5,955,739</u>	<u>(1,005,059)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	161,854	189,768	351,622	386,365
Investment in JPA	<u>(296,998)</u>		<u>(296,998)</u>	<u>(209,818)</u>
Cash Flows from Investing Activities	<u>(135,144)</u>	<u>189,768</u>	<u>54,624</u>	<u>176,547</u>
Net Cash Flows	6,634,977	717,577	7,352,554	(463,946)
Cash and investments at beginning of year	<u>261,925</u>	<u>1,504,708</u>	<u>1,766,633</u>	<u>2,230,579</u>
Cash and investments at end of year	<u><u>\$6,896,902</u></u>	<u><u>\$2,222,285</u></u>	<u><u>\$9,119,187</u></u>	<u><u>\$1,766,633</u></u>

See accompanying notes to financial statements

<p style="text-align: center;"><b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b></p>
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<p><b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b></p>
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The City of Belmont was incorporated as a general law city in 1926. The City operates under the Council-Manager form of government and is governed by a five member council elected by the City's voters. The City provides the following services: public safety (police), highways and streets, sewer, storm drainage, recreation, public improvements, planning and zoning, building inspections, general administration services, and redevelopment.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

**A. *Reporting Entity***

The financial statements of the City of Belmont include the financial activities of the City, the City of Belmont Redevelopment Agency, the Belmont Fire Protection District and the Belmont Joint Powers Financing Authority. All of these entities are controlled by and dependent on the City and their financial activities have been aggregated and merged (termed "blended") with those of the City in the accompanying financial statements.

The **City of Belmont Redevelopment Agency** is a separate government entity created in 1981 under the provisions of the Community Redevelopment Law (California Health and Safety Code) to assist in revitalizing of areas within the City of Belmont which are determined to be in a declining condition. The Agency is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the Agency. The financial activities of the Agency have been included in these financial statements in the Redevelopment Agency and Low and Moderate Income Housing Special Revenue Funds, the Redevelopment Agency Debt Service Fund, and the General Fixed Asset and Long-Term Obligations Account Groups.

The **Belmont Fire Protection District** is a special district created under the general laws of California to provide fire protection services to City residents. The District is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the District. The financial activities of the District have been included in these financial statements in the Belmont Fire Protection District Special Revenue Fund.

The **Belmont Joint Powers Financing Authority** is a separate government entity whose purpose is to assist with the financing certain public capital facilities for the City and Agency through the issuance of bonds or other forms of debt. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority.

Separate financial statements for the Redevelopment Agency are issued and may be obtained from the City of Belmont, Finance Department at 1070 Sixth Avenue, Belmont, California, 94002.

**B. *Fund Accounting***

In order to ensure the proper identification of individual revenue sources and the expenditures made from those revenues, the accounts of the City are organized on the basis of individual funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The City's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the Combined Financial Statements, these funds are grouped into the fund types and categories discussed below. The financial statements for each individual fund in each fund type are presented in the Combining Financial Statements section of this report.

**GOVERNMENTAL FUNDS**

**General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are property taxes, sales taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for public safety, most street work and other services not required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Debt Service Funds** - Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on long-term debt.

**Capital Project Funds** - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

**PROPRIETARY FUNDS**

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

**FIDUCIARY FUNDS**

**Agency Funds** - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

**C. Measurement Focus**

All governmental funds are accounted for on a spending or *financial flow* measurement focus which means that only *current* assets and *current* liabilities are generally included on their balance sheets. Their reported fund balance is their net current assets, which is considered only to be a measure of *available spendable resources*. Governmental fund operating statements present a summary of sources and uses of available spendable resources during a period by presenting increases and decreases in net current assets.

In those cases when a governmental fund records a long-term receivable or other non-current asset, an offsetting credit is made to undesignated fund balance and the account is reduced to reflect the fact that this amount is not yet available.



**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Because of their spending measurement focus, governmental funds exclude fixed assets and noncurrent liabilities. Instead, these assets and liabilities are reported in the General Fixed Assets Account Group and the General Long-Term Obligations Account Group. These account groups measure only financial position; they are not funds and they do not measure results of operations. They maintain accounting control over the City's governmental fund fixed assets and City debt which will be repaid by governmental funds.

Proprietary funds are accounted for on a cost of services or capital maintenance measurement focus, which means that all assets and all liabilities associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total assets.

**D. Basis of Accounting**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the *modified accrual basis* of accounting. These fund revenues are recognized when they become measurable *and* available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts which could not be measured or were not available were not accrued in the governmental funds as revenue in the current fiscal year.

*Non-exchange transactions*, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Those revenues susceptible to accrual are property, sales and use, transient occupancy, franchise and gas taxes, intergovernmental revenues and grants, and interest revenue. Fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until collected.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt service funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the *accrual basis* of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The City follows all Governmental Accounting Standards Board pronouncements and only those Financial Accounting Standard Board Statements issued on or before November 30, 1989 which do not conflict with Governmental Accounting Standards Board Statements.

**E. Revenue Recognition for Enterprise Funds**

Sewer and Storm Drain user fee revenues are placed on the county tax rolls. The County bills customers annually and requires payment prior to year end. As of year end there were no material uncollected sewer or storm drain user fees.

<p style="text-align: center;"><b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b></p>
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<p><b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b></p>
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***F. Property Tax***

San Mateo County assesses properties, and it bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest, and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the County which retains all penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above, generally within sixty days.

***G. Compensated Absences***

Compensated absences represent unpaid vacation and the vested portion of sick leave, which are accrued as earned. Employee bargaining unit agreements specify the vested portion of unused sick leave which accumulates and is paid at time of termination of City employment. Governmental funds' liability for compensated absences is recorded in the General Long Term Obligation Account Group since these amounts are not expected to be repaid from available spendable resources. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually; the net increase in the long term portion of the liability was \$88,411 at June 30, 2002.

***H. Total Columns on Combined Financial Statements***

Although each of the City's funds is a separate accounting entity, the Combined Financial Statements also include total columns, which are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flow in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation, since no interfund eliminations have been made in the aggregation of this data.

***I. New Funds***

During the fiscal year the City established the Library Capital Projects Fund and the Benefit Stabilization Special Revenue Fund.

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

The City Manager submits to the City Council a proposed annual operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them and is subjected to public hearings where comments are obtained for consideration. The Council adopts the budget through passage of a budget resolution at which time the proposed expenditures become appropriations. The budget is effective the following July 1 and may be amended by subsequent resolutions. The City Manager is authorized to transfer appropriations between any department; however, any revisions which increase the total appropriations of any fund must be approved by the Council. Transfers not included in the original budget must be approved by the Finance Director. Expenditures may not exceed appropriations at the fund level. Unencumbered appropriations lapse at year end. Supplemental appropriations were adopted by the Council and have been included in the budget versus actual statements.

Formal budgetary integration is employed as a management control device. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and are reappropriated in the following year budget. Budget amounts include appropriations which are formally integrated into the City's accounting records for all funds except Agency Funds and the Grade Separation and the Special Assessment District Capital Project Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.

Expenditures exceeded budget in the Street Maintenance State Gasoline Tax Special Revenue Fund and Redevelopment Agency Debt Service Fund by \$55,208 and \$197,894 respectively. Sufficient current revenues were available to offset these expenditures.

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash with fiscal agent so that it can be invested at the maximum yield, consistent with the principles of safety and liquidity. Individual funds can make expenditures at any time. Investments are carried at fair value.

**NOTE 3 - CASH AND INVESTMENTS**

**A. *Categorization of Credit Risk of Securities Instruments***

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. As of year end, in order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City categorizes its individual securities instruments in ascending order to reflect the relative risk of loss of these instruments. This risk is called Credit Risk, the lower the number, the lower the risk. The three levels of risk prescribed by generally accepted accounting principles are described below:

<b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b>
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<b>NOTE 3 - CASH AND INVESTMENTS (Continued)</b>
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**Category 1** - Securities instruments in this category are in the City's name and are in the possession of the Trust Department of the bank employed by the City solely for this purpose. The City is the registered owner of securities held in book entry form by the bank's Trust Department (the City's Agent).

**Category 2** - Securities instruments and book entry form securities in this category are in the bank's name as the City's agent, but are held by its Trust Department in the City's name.

**Category 3** - Investments in this category include only City-owned securities instruments or book entry form securities which were not in the City's name or not held by the bank's Trust Department.

**Pooled Investments** - Pooled investments are not categorized because of their pooled, rather than individual, nature.

Investments are carried at fair value and were categorized as follows at June 30:

	2002			2001
	Available for Operations	Restricted	Total	
<b>Category 2</b>				
U.S. Treasury Securities		\$2,624,809	\$2,624,809	\$2,278,888
<b>Non-categorized investments:</b>				
Government Securities Mutual Funds		170,181	170,181	53,343
Local Agency Investment Fund	\$31,909,452		31,909,452	24,937,956
Total Investments	31,909,452	2,794,990	34,704,442	27,270,187
Bank balances before reconciling items	4,600,960	2,083,322	6,684,282	6,742,179
Add: deposits in transit	1,702		1,702	115,702
Deduct: outstanding checks	(500,482)	(62,024)	(562,506)	(404,037)
Cash on hand	2,150		2,150	2,250
Total Cash and Investments	<u>\$36,013,782</u>	<u>\$4,816,288</u>	<u>\$40,830,070</u>	<u>\$33,726,281</u>

The City does not allocate investments by fund. Each Proprietary fund's portion of Cash and Investments Available for Operations is in substance a demand deposit available to finance operations, is considered a cash equivalent and is used in preparing the statement of cash flows.

<p style="text-align: center;"><b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b></p>
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<p><b>NOTE 3 - CASH AND INVESTMENTS (Continued)</b></p>
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**B.     *Cash Deposits***

The carrying amount of the City's cash deposits was \$6,123,478 at June 30, 2002. Bank balances before reconciling items were \$6,684,282 of which \$300,000 was insured (Category 1), and \$6,384,282 was collateralized by an agent of the institution holding the deposit in the City's name (Category 2). California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all municipal deposits. This collateral remains with the institution, but is considered to be held in the City's name and places the City ahead of general creditors of the institution. The City has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

**C.     *Authorized Investments***

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City:

- Local Agency Bonds
- US Treasury Obligations
- State of California Obligations
- CA Local Agency Obligations
- US Agencies
- Bankers Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Medium-Term Notes
- Mutual Funds
- Money Market Funds
- Collateralized Bank Deposits
- Mortgage Pass-Through Securities
- Time Deposits
- County Pooled Investment Funds
- Local Agency Investment Fund

**D.     *Investments Carrying Value***

The City's investments are carried at fair value as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

<b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b>
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<b>NOTE 3 - CASH AND INVESTMENTS (Continued)</b>
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The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis that is not materially different than fair value. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

<b>NOTE 4 - INTERFUND TRANSACTIONS</b>
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**A.      *Operating Transfers Between Funds***

The purpose of the majority of transfers, called operating transfers, is to reimburse a fund which has made an expenditure on behalf of another fund. Less often, a residual equity transfer may be made to open or close a fund.

Operating transfers between funds during the fiscal year ended June 30, 2002 were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
<b>General Fund</b>	Law Enforcement Block Grant	\$6,156
<b>Special Revenue:</b>		
Co-Sponsored Recreation	General Fund	259,984
Law Enforcement Block Grants	General Fund	12,428
Street Maintenance State Gasoline Tax	General Fund	500,000
Street Improvement Measure A/Grants	Street Maintenance State Gasoline Tax	200,000
<b>Debt Service:</b>		
General Debt Service	General Fund	358,184
<b>Capital Projects:</b>		
City Hall Retrofit/Police Facilities	General Facilities Capital Projects Fund	85,000
Library Fund	General Fund	55,843
Library Fund	General Facilities Capital Projects Fund	50,000
RDA Projects	Redevelopment Agency Fund	166,587
<b>Enterprise Fund:</b>		
Storm Drainage	Sewer Enterprise Fund	1,010,125
<b>Internal Service Fund:</b>		
Facilities Management	General Fund	103,393
Self-Funded Vision	General Fund	3,472
		\$2,811,172

<b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b>
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<b>NOTE 4 - INTERFUND TRANSACTIONS (Continued)</b>
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**B.      *Current Interfund Balances***

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2002, interfund balance were as follows:

Interfund Receivable	Interfund Payable	Amount
General Fund	Special Revenue:	
	Belmont Fire Protection District	\$40,845
	State Gasoline Tax	29,765
	COPMORE 96	39,829
		\$110,439

**C.      *Long Term Interfund Advances***

On May 26, 1992 the City's General Fund borrowed \$999,050 from the Belmont Fire Protection District Special Revenue Fund. Proceeds from the loan were used to finance the acquisition of the Barrett Community Center. Effective February 1999, Council approved the reassignment of this loan to the **Worker's Compensation Internal Service Fund** which paid cash to the Belmont Fire Protection District Special Revenue Fund. The loan bears interest at a rate equal to the rate earned by the District on its investments. Monthly payments amounting to \$9,420 are due and are repayable from general fund revenues. At June 30, 2002 the balance outstanding amounted to \$189,849.

During the year ended June 30, 2002, the Co-Sponsored Recreation and Development Services Special Revenue Funds received cash flow advances from the General Fund in the amount of \$64,937 and \$175,203, respectively. These interfund advances are expected to be repaid with future revenues from each of these funds.

**D.      *Residual Equity Transfer***

During the fiscal year ended June 30, 2002, the City recorded a residual equity transfer in the amount of \$2,179 from the General Facilities Capital Project Fund to the Library Capital Project Fund to establish the latter fund.

<b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b>
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<b>NOTE 5 - NOTES RECEIVABLE</b>
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*Summary of Notes Receivable*

Since none of the Notes below are due within the next year, the City has offset them with reservations of fund balance. These notes are summarized below:

Project	Amount
Mid-Peninsula Horizons, Inc.	\$205,844
Mercy Housing Loan	325,000
Owner Occupied Rehabilitation Assistance Program	103,479
Home Buyer Assistance Program	90,000
Peace Officer Down Payment Assistance Program	205,743
	<hr/>
Total notes receivable	<u><u>\$930,066</u></u>

On September 30, 1992 the Agency made a loan to **Mid-Peninsula Horizons, Inc.**, a nonprofit corporation, to assist in financing an affordable housing project. The Agency loan is secured by a second deed of trust. The loan bears interest at one percent per annum and is due along with interest in 2039 or the date the project is no longer subject to a related regulatory agreement with HUD, which ever is later.

In March 1995, the Agency loaned \$325,000 to **Mercy Housing California**, a nonprofit corporation, which used the proceeds along with other funds to finance the renovation and rehabilitation of a site used for an AIDS Hospice project. The note is secured by a deed of trust, bears no interest and is due in 2028.

In January 1999, the Agency began funding loans under the **Owner Occupied Rehabilitation Assistance Program**. Proceeds of the loans are used to correct structural, health and safety deficiencies, and for cosmetic improvements for homeowners with very low, low, or moderate incomes. Loans are secured by deeds of trust and bear no interest.

In fiscal 1998-99, the Agency began providing financial assistance for first time home buyers through the **Home Buyer Assistance Program**. Loans provide down payment assistance to qualified home buyers in Belmont. Loans are long-term low interest loans for down payments on the purchase of single-family residences, town homes, or condominiums. Loans are secured by a deed of trust.

In September 1999, the Agency began providing financial assistance for City Peace Officers under **Peace Officer Residential Down Payment Assistance Program**. Loans provide down payments to assist peace officers in locating their primary residence in the City. The term of loan is ten years and it is to be forgiven at a rate of 10% per year with no interest. If the value of the underlying property declines on resale within a 10-year period, then the Agency will share the loss in proportion to each party's contribution to the original purchase price. Loans are secured by a deed of trust. During the fiscal year ended June 30, 2002 the Agency forgave \$26,300 on the three loans outstanding.

<b>NOTE 6 - LAND HELD FOR REDEVELOPMENT</b>
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Land held for redevelopment is carried in the financial statements at the lower of cost or estimated net realizable value. The Agency did not purchase or sell any land during the fiscal year ended June 30, 2002.



**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 7 - FIXED ASSETS**

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

**A. *General Fixed Assets***

The General Fixed Assets Account Group provides accounting control over the cost of fixed assets used by the City's governmental funds. The General Fixed Assets Account Group is not a fund and its balances are not financial resources available for expenditure. Rather, these balances provide an historical accounting record of resources expended on general fixed assets. Public domain (infrastructure) general fixed assets, which include roads, bridges, curbs and gutters, streets and sidewalks and lighting systems, have not been capitalized in the General Fixed Assets Account Group because these assets are immovable and of value only to the public. No depreciation has been provided on general fixed assets.

**B. *Proprietary Fund Type -Enterprise Fund Fixed Assets and Depreciation***

Proprietary (Enterprise) fund fixed assets are recorded at cost and depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of proprietary fund fixed assets equitably among all customers over the life of these assets, so that each customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of proprietary fund fixed assets.

Depreciation of all proprietary fund fixed assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the proprietary funds' balance sheet as a reduction in the book value of the fixed assets.

Depreciation of proprietary fund fixed assets in service is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to proprietary fund fixed assets.

Improvements Other than Buildings	25-75 years
Machinery and Equipment	5-25 years

<b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b>
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<b>NOTE 7 - FIXED ASSETS (Continued)</b>
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Fixed assets at June 30 comprise:

	Balance June 30, 2001	Transfers and Additions	Transfers and Retirements	Balance June 30, 2002
<b>General Fixed Assets:</b>				
Land	\$6,576,318			\$6,576,318
Buildings and building improvements	11,015,160	\$69,484		11,084,644
Improvements other than buildings	64,169	71,513		135,682
Machinery and Equipment	1,716,102	96,701		1,812,803
Investment in SCFA - joint venture	4,384,064			4,384,064
Total	<u>\$23,755,813</u>	<u>\$237,698</u>		<u>\$23,993,511</u>
<b>Enterprise Funds:</b>				
Land	\$14,793			\$14,793
Improvements other than buildings	8,495,956			8,495,956
Machinery and Equipment	189,649			189,649
Construction in progress	2,917,499	\$1,117,194		4,034,693
Total	<u>11,617,897</u>	<u>\$1,117,194</u>		<u>12,735,091</u>
Less accumulated depreciation	<u>3,608,742</u>	<u>\$263,920</u>		<u>3,872,662</u>
Net fixed assets	<u>\$8,009,155</u>			<u>\$8,862,429</u>
<b>Internal Service Funds:</b>				
Machinery and Equipment	\$589,821	\$94,516		\$684,337
Vehicles	2,122,918	327,436	\$290,140	2,160,214
Total	<u>2,712,739</u>	<u>\$421,952</u>	<u>\$290,140</u>	<u>2,844,551</u>
Less accumulated depreciation	<u>1,450,283</u>	<u>\$387,562</u>	<u>\$290,140</u>	<u>1,547,705</u>
Net fixed assets	<u>\$1,262,456</u>			<u>\$1,296,846</u>

<b>NOTE 8 - LONG TERM DEBT</b>
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The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

The General Long Term Obligations Account Group provides accounting control over the principal of the City's general long term debt. This debt will be repaid only out of governmental funds but is not accounted for in these funds because this debt does not require an appropriation or expenditure in this accounting period.

Proprietary Fund (Enterprise) long-term debt is accounted for in the proprietary funds which will repay the debt because these funds are accounted for on the full-accrual basis in a similar manner to commercial operations.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 8 - LONG TERM DEBT (Continued)**

**A. Current Year Transactions and Balances**

	Balance June 30, 2001	Additions	Retirements	Balance June 30, 2002
<b>GENERAL LONG TERM DEBT</b>				
<b>Long-Term Bonds Payable:</b>				
1996 Series Housing Set-Aside Bonds, 6.5%-7.75%, due serially to 2016	\$2,915,000		\$100,000	\$2,815,000
1999 Series A Refunding Bonds, 4.375%-5.7%, due serially to 2029	15,230,000		405,000	14,825,000
1999 Series B Subordinated Bonds, 3.6%-5.8%, due serially to 2029	8,620,000			8,620,000
<b>Interfund:</b>				
Advances from the City:				
LAIIF rate, due as available	127,410	\$596,166	594,700	128,876
<b>Note Payable:</b>				
Oracle Owner Participation Agreement LAIIF rate, due 2025	2,687,604		254,024	2,433,580
<b>Total Long Term Debt Account Group:</b>	<u>29,580,014</u>	<u>596,166</u>	<u>1,353,724</u>	<u>28,822,456</u>
<b>PROPRIETY FUND DEBT</b>				
2001 Sewer Revenue Bonds 4.375%-5.00%, due semiannually to 2031		7,500,000		7,500,000
<b>Total Long Term Debt</b>	<u>\$29,580,014</u>	<u>\$8,096,166</u>	<u>\$1,353,724</u>	<u>\$36,322,456</u>

**B. Summary of Debt Issues**

On April 1, 1996 the Redevelopment Agency issued \$3,265,000 principal amount of Los Costanos Community Development Project Area **Housing Set-Aside Tax Allocation Bonds (Taxable), Series 1996**. Proceeds from the Bonds were used to increase, improve and preserve low and moderate income housing in the project area. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from incremental property tax revenues required to be set aside to fund low and moderate income housing projects.

On December 1, 1999 the Redevelopment Agency approved the issuance of \$15,490,000 and \$8,725,000 principal amounts of Los Costanos Community Development Project **Senior Tax Allocation Refunding, Series 1999A and Subordinated Tax Allocation Bonds, Series 1999B**. Proceeds from the 1999A Bonds were used to repay the Note Payable to the City and advance refund the Subordinated Tax Allocation Bonds, Series 1994A and 1992A (Prior Bonds). Series 1999A proceeds along with funds remaining from the Prior Bonds were used to acquire US government securities which were placed in irrevocable trusts to be used to repay all future debt service on the Prior Bonds. The Prior Bonds are considered defeased and have been removed, along with the trusts, from the Agency's financial statements. The balance outstanding on the Prior Bonds at June 30, 2002 was \$10,655,000.

Proceeds from the Series 1999B Bonds are to be used to finance various redevelopment projects. Interest is due semiannually on February 1 and August 1 commencing February 1, 2000 and principal is due annually on August 1 commencing August 1, 2000. Debt service on the 1999A bonds is repayable from incremental property tax revenues, net of low and moderate income housing set-asides required by State law. The 1999B Bonds are subordinated to the Agency's obligation to pay debt service on the 1999A Bonds and certain pass-through amounts owed to other government agencies.

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 8 - LONG TERM DEBT (Continued)**

The City has a continuing agreement with the Redevelopment Agency under which it advances funds for administrative and project costs incurred during the fiscal year by the Agency. The Agency is obligated to repay the **Advances from the City** plus interest earned at the same rate as the City earns on its investments in the California Local Agency Investment Fund. Repayments are to be made from property tax increment revenues.

On October 27, 1998 the Agency entered into a **Development Agreement with Oracle Corporation** to develop property owned by Oracle. The City received proceeds of \$3,000,000 from Oracle to be used for the development of roadway improvements adjacent to the property. These amounts will be repaid with future sales tax revenues in excess of \$100,000 annually from the developed area over twenty five years.

On December 5, 2001 the Authority issued \$7,500,000 principal amount of **Sewer Revenue Bonds, Series 2001**. Proceeds will be used to rehabilitate and improve the City's sanitary sewer system. Interest is due semiannually on February 1 and August 1 and principal is due annually on August 1 and is repayable from sewer service charges net of operating and maintenance expenses.

The Agency has **Cash and Investments Held by Trustee** at June 30, 2002 pledged for the payment or security of the Tax Allocation Bonds and Sewer Revenue Bonds. The California Government Code requires these funds to be invested in accordance with any applicable City ordinance, resolution or bond indenture, unless there are specific State statutes governing their investment. All these funds have been invested only as permitted by either the above Code or applicable trust agreement.

**C. Debt Service Requirements**

Annual debt service requirements are shown below for all long-term debt with specified repayment terms:

For the Year Ending June 30	Redevelopment Agency Tax Allocation Bonds	2001 Sewer Revenue Bonds
2003	\$1,968,310	\$440,623
2004	2,118,475	490,701
2005	2,123,629	489,467
2006	2,121,599	478,232
2007	2,117,408	481,889
Thereafter	36,831,127	11,826,415
	<u>47,280,548</u>	<u>14,207,327</u>
Less amount representing interest	<u>21,020,548</u>	<u>6,707,327</u>
Principal amount due	<u><u>\$26,260,000</u></u>	<u><u>\$7,500,000</u></u>

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 9 - FUND EQUITY**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

***Fund Balances***

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity which provided the funds. The City cannot modify or remove these restrictions or reserves.

Designations are imposed by City Council to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Council action.

Reserves for **prepaid expenditures, long term interfund receivables, and land held for redevelopment** are the portions of fund balance set aside to indicate these items do not represent available, spendable resources even though they are a component of assets.

Reserve for **encumbrances** represents the portion of fund balance set aside for open purchase orders.

Reserve for **debt service** is the portion of fund balance legally restricted for the payment of principal and interest on long term liabilities.

Reserve for **capital projects** is the portion of fund balance or retained earnings legally restricted for use on capital outlay projects.

Reserve for **low and moderate income housing** is the portion of fund balance to be used for providing low and moderate income housing.

Reserve for **advance to other funds** are the portion of fund balance is not available for current expenditure because of the long-term nature of these advances

Designated for **capital projects** is the portion of fund balance to be used for budgeted future capital outlay projects.

Designated for **debt service** is the portion of fund balance restricted for the payment of principal and interest on long term liabilities.

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 10 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City maintains two enterprise funds. These funds are intended to be self-supporting, through user fees charged for services rendered. Segment information for these funds for the year ended June 30, 2002 follows:

	Sewer	Storm Drainage	Total
Operating revenue	\$3,363,025	\$399,208	\$3,762,233
Depreciation expense	236,856	27,064	263,920
Operating income (loss)	57,371	(113,204)	(55,833)
Net loss form JPA	(159,400)		(159,400)
Nonoperating revenues (expense), net	(49,688)	9,385	(40,303)
Net income (loss)	(1,002,442)	906,306	(96,136)
Fixed assets additions, net	(866,440)	(250,754)	(1,117,194)
Net working capital (deficiency)	5,316,079	789,715	6,105,794
Total assets	19,344,249	1,582,655	20,926,904
Total equity	11,479,137	1,533,722	13,012,859

**NOTE 11 - RETIREMENT BENEFITS**

**A. CALPERS Safety and Miscellaneous Employees Plans**

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2002, are summarized as follows:

	Safety (Police)	Miscellaneous
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of annual salary	2%-2.7%	1.426%-2.418
Required employee contribution rates	9%	7%
Required employer contribution rates	0%	0%

All qualified permanent and probationary employees are eligible to participate in CALPERS. A credited service year is one year of full time employment. The City's labor contracts require it to pay the employees contributions as well as its own. These benefit provisions and all other requirements are established by state statute and City ordinance. Contributions necessary to fund CALPERS on an actuarial basis are determined by CALPERS and its Board of Administration.

<b>CITY OF BELMONT</b>
<b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b>

<b>NOTE 11 - RETIREMENT BENEFITS (Continued)</b>
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CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarially accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the years ended June 30, 2002, 2001 and 2000 amounted to \$627,794, \$554,286, and \$592,177 respectively.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 8.25% is assumed, including inflation rate at 3.5%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

CALPERS' latest available actuarial value (which differs from market value) and funding progress are set forth below at their actuarial valuation date of June 30:

*Safety Plan:*

Actuarial						Unfunded
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	(Overfunded) Liability as % of Payroll
1998	\$13,212,401	\$15,491,838	(\$2,279,437)	117.3%	\$1,886,343	(120.839%)
1999	14,223,149	18,029,648	(3,806,499)	126.8%	2,190,808	(173.749%)
2000	15,322,647	19,585,571	(4,262,924)	127.8%	2,115,802	(201.480%)

*Miscellaneous Plan:*

Actuarial						Unfunded
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	(Overfunded) Liability as % of Payroll
1998	\$11,951,988	\$15,345,788	(\$3,393,800)	128.4%	\$3,872,105	(87.647%)
1999	13,357,945	17,647,404	(4,289,459)	132.1%	4,538,137	(94.520%)
2000	15,336,585	19,686,037	(4,349,452)	128.4%	4,802,416	(90.568%)

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

The market value of the net assets held for pension benefits in the Plans changed as follows during the year ended June 30, 2000, the latest available:

<b>CITY OF BELMONT</b> <b>NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS</b>
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<b>NOTE 11 - RETIREMENT BENEFITS (Continued)</b>
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	Safety	Miscellaneous
Beginning Balance 6/30/99	\$18,029,648	\$17,647,404
Contributions received	256,239	375,684
Benefits and Refunds Paid	(682,317)	(526,637)
Miscellaneous adjustments	(7)	(1,411)
Expected Investment Earnings Credited	1,470,218	1,449,750
Expected Actuarial Value of Assets 6/30/00	<u>\$19,073,781</u>	<u>\$18,944,790</u>
Market Value of Assets 6/30/00	<u>\$20,609,152</u>	<u>\$21,168,528</u>
Actuarial Value of Assets 6/30/00	<u>\$19,585,571</u>	<u>\$19,686,037</u>

**B. *Postemployment Health Care Benefits***

The City pays a portion of insurance premiums to provide health care benefits for retired employees as required by bargaining unit agreements. Current City employees who retire after reaching age 50 with at least 10 to 15 years of service are eligible for benefits. The cost of retiree health care benefits is recognized as an expenditure as health care premiums are paid. During the year ended June 30, 2002 the City paid \$183,483 on behalf of 52 retirees who were participating in the plan.

**C. *Deferred Compensation Plan***

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The City has no liability for any losses incurred by the Plan and does not participate in any gains, but it does have the duty of due care that would be required of an ordinary prudent investor. The City has contracts with various Administrators to manage and invest the assets of the Plan. The administrators pool the assets of the Plan with those of other participants and do not make separate investments for the City. The assets in the Plan are the sole property of the participants or their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plan requires investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to Participants accounts.

<b>NOTE 12 – RISK MANAGEMENT</b>
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**A. *Liability Coverage***

The City purchases commercial insurance against general liability with coverage of \$20,000,000 per occurrence above the City's \$75,000 self-insured retention, automotive liability with coverage of \$1,000,000, above the City's self-insured retention of \$10,000 and property with coverage at the replacement value of the property above the City's self-insured retention of \$10,000.



**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 12 – RISK MANAGEMENT (Continued)**

**B. Workers Compensation Coverage**

Effective July 1, 1996 the City purchases commercial insurance for workers compensation coverage up to statutory limits. The City has no deductible for these losses. Prior to that date the City was self insured or had a deductible of \$275,000 on workers' compensation.

**C. Liability for Uninsured Claims**

The City provides for the uninsured portion of claims and judgments in the Workers' Compensation and General Liability Internal Service Funds. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed, above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

For the years ended June 30, 2002, 2001 and 2000 the amount of settlements did not exceed insurance coverage.

The City's liability for uninsured claims is limited to workers' compensation and general liability claims, as discussed above, and was estimated by management based on prior years claims experience as follows:

	<u>2001-2002</u>	<u>2000-2001</u>	<u>1999-2000</u>
Balance, July 1	\$519,000	\$671,284	\$1,160,163
Net change in liability for claims and claims paid but not reported	67,664	19,230	128,187
Claims paid	<u>(204,175)</u>	<u>(171,514)</u>	<u>(617,066)</u>
Balance, June 30	<u><u>\$382,489</u></u>	<u><u>\$519,000</u></u>	<u><u>\$671,284</u></u>

**NOTE 13 – JOINT VENTURES**

The City participates in the joint ventures discussed below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the City's responsibility and the City generally does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

**A. Equity interests**

The City has recorded its equity interest in the follow joint ventures:

**South County Fire Authority (SCFA)** was formed in 1979 between the Cities of San Carlos and Belmont on an equal basis to provide more efficient fire protection services for the two cities. Any assets used by the Fire

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 13 – JOINT VENTURES (Continued)**

Authority but owned by the member agencies prior to the creation of the Fire Authority remain the property of the members. Each member contributes its pro rata share of operating costs to the Fire Authority. The City contributed \$4,130,000 to the Fire Authority for the year ended June 30, 2002 for fire protection services. Financial statements may be obtained by mailing a request to South County Fire Authority, Inc., 666 Elm Street, San Carlos, CA 94070.

The City has an equity interest in one-half of the assets of SCFA which are composed principally of general fixed assets. The City has recorded its equity interest in SCFA in the General Fixed Account Group, details of which are disclosed in Note 7.

**South Bayside System Authority (SBSA)** was formed in 1975 between the Cities of San Carlos, Belmont and Redwood City and the Menlo Park Sanitary District to operate a wastewater treatment facility commonly known as South Bayside System Authority. The cost of operating and maintaining the facility is divided in proportion to the volume of sewage entering from each member entity. The City's contribution toward the cost of operating and maintaining the facility during the year ended, June 30, 2002 was \$876,547. Financial statements may be obtained by mailing a request to the South Bayside System Authority, 1400 Radio Road, Redwood City, CA 94065.

The City has an equity interest in the assets of SBSA which has been recorded as Investment in SBSA in the Sewer Operations Enterprise Fund. As of June 30, 2002 the City's equity amounted to \$5,024,471.

**B. Jointly Governed Organizations**

The City also participates in the following jointly governed organization under which it is obligated to fund annual operating costs, but there is no on going equity interest in the assets of the organizations:

**Family and Community Enrichment Services, Inc.**, was formed in 1988 between the Cities of Belmont and San Carlos, the Unified School Districts of Belmont and San Carlos and the Sequoia Union High School District to prevent students from dropping out of school. FACES budgets for its annual expenses and then seeks funding from grants and the public. Based on the level of service provided to each agency, the members contribute any remaining operating needs. Financial statements may be obtained by mailing a request to Family and Community Enrichment Services, Inc., 1607 Industrial Way, Belmont, CA 94002.

**City/County Association of Governments of San Mateo County (C/CAG)** was formed in 1990 between the various cities in San Mateo County to prepare, adopt, monitor and enforce state mandated plans for the management of traffic congestion, integrated solid waste, airport land use and hazardous waste. The City's contribution to C/CAG was \$20,653 for the year ended June 30, 2002. Financial statements may be obtained by mailing a request to the City San Carlos, 666 Elm Street, San Carlos, CA 94070.

**Inter-City Transportation System Management Agency** was formed in 1989 between the Cities of Belmont, Foster City, Redwood City, San Carlos and San Mateo to attempt to mitigate traffic congestion. The Agency is funded through a Countywide sales tax levied for transportation systems improvements.

**South Bayside Transfer Station Authority (SBTSA)** was established between the Cities of Atherton, Belmont, Burlingame, Foster City, Menlo Park, Redwood City, San Carlos, San Mateo, Hillsborough and East Palo Alto, the County of San Mateo, and Westbay Sanitary District for the purpose of setting up a franchise agreement with Browning-Ferris Industries to provide garbage collection and transfer station services. The Authority will be terminated and the entity South Bayside Waste Management Authority was formed (as discussed below). Financial statements may be obtained by mailing a request to the City San Carlos, 600 Elm Street, San Carlos, CA 94070.

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 13 - JOINT VENTURES (Continued)**

*South Bayside Waste Management Authority (SBWMA)* is a joint powers agreement formed in October 13, 1999. Members of the South Bayside Waste Management Authority currently include the cities of Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, as well as the West Bay Sanitary District and the County of San Mateo. The Members are required by AB939 to reduce, recycle and reuse solid waste generated within their respective jurisdictions and to provide source reduction, recycling and composting activities. The South Bayside Waste Management Authority's purpose is to assist its members in meeting these requirements.

*Southern San Mateo Police Authority* was established in 1999 pursuant to a joint power agreement to establish, implement, oversee and maintain a consolidated police dispatch and records system for the following municipal members: City of Belmont, City of Foster City, Town of Hillsborough, City of Redwood City, and City of San Carlos. Financial statements may be obtained by mailing a request to the City of Belmont, 1070 Sixth Avenue, Belmont, CA 94002.

**NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES**

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

The City participates in Federal, State and local grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act of 1984 including 1996 amendments and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

In March 2001, the voters approved the issuance of bonds for \$8.6 million which will be repaid by the levy of a Special Tax for the building of a new library in the City of Belmont. The proposed \$15.9 million project, which assumes funding of a local match (35%) and state grant funds or other sources (65%). The costs of the project also include the necessary equipment and facilities required to relocate the existing library to the new location, the improvements to the park area adjacent to the library, the ongoing maintenance of the library and the incidental expenses to be incurred in connection with financing the project.

The City appointed a task force to work on the conceptual design of the new library. This project is scheduled to be completed in 2005, provided funding is in place and construction begins as scheduled.

**NOTE 15 - GRADE SEPARATION PROJECT**

The Ralston, Harbor, Holly grade separation project, which was opened for thru traffic in fiscal 2000, is an overpass that separates CalTrain from surface level traffic on Ralston, Harbor, and Holly Avenues. The City has agreements with the San Mateo County Transportation Authority (SMCTA) and CalTrans under which it reimbursed a significant portion of project costs.

As part of its duties under the agreements, SMCTA reviews grade separation project costs as they are incurred to determine the eligibility of the costs for reimbursement under the various state and local grant agreements. As of the date of this report, project costs, carried on the balance sheet as receivables, remain subject to further review by SMCTA, amounts which may be disallowed cannot be determined at this time.

SMCTA has advanced funds to cover project expenditures until grant reimbursements are received. These balances are presented as Advance from SMCTA in the accompanying financial statements in the amount of \$2,021,298 at June 30, 2002.

**CITY OF BELMONT**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**NOTE 15 - GRADE SEPARATION PROJECT (Continued)**

The City combined for project management purposes with a neighboring City which undertook a related project. Separate financial statements for this Ralston Harbor Holly Grade Separation Project are available at the City of Belmont, Finance Department at 1070 Sixth Avenue, Belmont, California, 94002.

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<b>GENERAL FUND</b>
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The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police protection, planning, engineering, public works operations and maintenance, and legal and administrative services.

CITY OF BELMONT  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$2,019,941	\$2,371,226
Receivables:		
Accounts	226,713	546,016
Interest	219,841	320,434
Due from other governmental agencies	652,731	822,550
Advance to other funds	128,876	127,410
Long term interfund receivables	240,140	
Due from other funds	110,439	447,494
Prepays and other assets	<u>15,193</u>	<u>18,834</u>
Total Assets	<u><u>\$3,613,874</u></u>	<u><u>\$4,653,964</u></u>
LIABILITIES		
Accounts payable, compensated absences, and other liabilities / contracts payable	\$229,403	\$283,603
Deposits	247,919	174,283
Deferred revenue	134,408	197,251
Long term interfund payables	<u>189,849</u>	<u>294,220</u>
Total Liabilities	<u>801,579</u>	<u>949,357</u>
FUND BALANCES		
Reserved for:		
Encumbrances	58,552	99,778
Prepays	15,193	18,834
Advance to other funds/Long term interfund receivables	369,016	127,410
Unreserved, undesignated	<u>2,369,534</u>	<u>3,458,585</u>
Total Fund Balances	<u>2,812,295</u>	<u>3,704,607</u>
Total Liabilities and Fund Balances	<u><u>\$3,613,874</u></u>	<u><u>\$4,653,964</u></u>

CITY OF BELMONT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
REVENUES				
Taxes	\$8,031,527	\$6,871,288	(\$1,160,239)	\$7,998,944
Licenses and permits	511,785	544,190	32,405	483,430
Use of money and property	484,955	436,829	(48,126)	535,584
Intergovernmental	2,048,666	1,836,739	(211,927)	1,883,470
Charges for current services	3,049,272	3,035,743	(13,529)	2,661,426
Fines and forfeitures	163,765	200,885	37,120	218,520
Miscellaneous	25,000	3,813	(21,187)	59,271
Total Revenues	<u>14,314,970</u>	<u>12,929,487</u>	<u>(1,385,483)</u>	<u>13,840,645</u>
EXPENDITURES				
Current:				
General government	4,102,062	3,994,858	107,204	3,641,150
Public safety	6,379,457	6,292,953	86,504	5,618,101
Culture and recreation	2,356,422	2,125,959	230,463	2,046,142
Miscellaneous	194,509	120,881	73,628	222,458
Total Expenditures	<u>13,032,450</u>	<u>12,534,651</u>	<u>497,799</u>	<u>11,527,851</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,282,520</u>	<u>394,836</u>	<u>(1,883,282)</u>	<u>2,312,794</u>
OTHER FINANCING USES				
Operating transfers in		6,156	6,156	
Operating transfers (out)	(1,228,422)	(1,293,304)	(64,882)	(1,556,100)
Total Other Financing Uses	<u>(1,228,422)</u>	<u>(1,287,148)</u>	<u>(58,726)</u>	<u>(1,556,100)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$54,098</u>	<u>(892,312)</u>	<u>(\$946,410)</u>	<u>756,694</u>
Fund balances at beginning of year		<u>3,704,607</u>		<u>2,947,913</u>
FUND BALANCES AT END OF YEAR		<u>\$2,812,295</u>		<u>\$3,704,607</u>



CITY OF BELMONT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Taxes:			
Property tax-secured	\$1,400,180	\$1,388,828	(\$11,352)
Property tax-unitary	7,332	25,985	18,653
Property tax-unsecured	290,288	202,507	(87,781)
Property tax-prior	2,500	166	(2,334)
Supplemental property tax	144,000	141,225	(2,775)
Supplemental property tax-prior	6,660	1,624	(5,036)
Sales and use tax	3,699,397	3,243,942	(455,455)
Sales and use tax-public safety	119,100	121,600	2,500
Transient occupancy tax	1,553,900	1,030,750	(523,150)
Property transfer tax	151,850	127,465	(24,385)
Utility franchise tax	246,805	235,467	(11,338)
Garbage franchise tax	146,140	140,549	(5,591)
Cable TV franchise tax	263,375	211,180	(52,195)
Total taxes	8,031,527	6,871,288	(1,160,239)
Licenses and permits:			
Business licenses	507,935	539,472	31,537
Tree permits	3,850	3,940	90
Mechanical permits		54	54
Encroachment permits		724	724
Total licenses and permits	511,785	544,190	32,405
Use of money and property:			
Investment income	146,059	64,364	(81,695)
Rental income:			
Chamber of Commerce			
1070 Sixth Street	72,488	46,631	(25,857)
Lodge Building	4,995	38,348	33,353
Creekside Studios	6,042	6,385	343
Senior Center	45,030	54,185	9,155
Barrett 1870 Galleries	75,432	79,275	3,843
Barrett Day Care Center	21,420	21,420	
Sports Complex	57,249	70,221	12,972
Light Pole - Metricom	240		(240)
Other rentals	56,000	56,000	
Total use of money and property	484,955	436,829	(48,126)

CITY OF BELMONT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Intergovernmental revenues:			
Federal grants		2,528	2,528
Motor vehicle in-lieu tax	1,666,375	1,388,865	(277,510)
Off-highway coach tax	510	597	87
Homeowners property tax reduction	32,190	25,198	(6,992)
State mandated cost reimbursements	72,645	95,506	22,861
Peace officers standards and training	40,000	57,000	17,000
State reimbursed booking fee	34,455	34,455	
Miscellaneous state grant		12,428	12,428
Nutrition site grant	14,000	31,671	17,671
Payments in lieu of taxes	188,491	188,491	
Total intergovernmental revenues	2,048,666	1,836,739	(211,927)
Charges for services:			
Miscellaneous general government services and sales of publications	2,584,993	2,582,463	(2,530)
Fire district support services	221,842	221,842	
Sewer support services	164,317	164,317	
Investigation/fingerprinting fees	550	801	251
Police report fees	4,500	891	(3,609)
Alarm services fees	26,750	15,755	(10,995)
Police contract fees	5,000	1,046	(3,954)
Emergency response-DUI	8,000	8,819	819
Abandoned vehicle authority fee	16,000	18,954	2,954
Impound vehicle release fee	3,000	5,524	2,524
Miscellaneous police services	2,500	3,111	611
Senior citizen classes	11,000	10,235	(765)
Senior transportation		426	426
Miscellaneous recreation fees	820	1,559	739
Total charges for services	3,049,272	3,035,743	(13,529)

(Continued)

CITY OF BELMONT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Fines and forfeitures:			
Municipal ordinance violations	40,000	99,102	59,102
Vehicle code fines	123,765	101,783	(21,982)
Total fines and forfeitures	<u>163,765</u>	<u>200,885</u>	<u>37,120</u>
Miscellaneous revenue:			
Senior Center donations and fundraising	3,500	2,131	(1,369)
Property damage reimbursement	2,500	(1,618)	(4,118)
Refunds and reimbursements	1,500	6,146	4,646
Teen fundraising	5,000	640	(4,360)
Miscellaneous	<u>12,500</u>	<u>(3,486)</u>	<u>(15,986)</u>
Total miscellaneous revenue	<u>25,000</u>	<u>3,813</u>	<u>(21,187)</u>
Grand total of revenues and other financing sources	<u>\$14,314,970</u>	<u>\$12,929,487</u>	<u>(\$1,385,483)</u>

CITY OF BELMONT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
City Council:			
Personnel services	\$45,152	\$60,313	(\$15,161)
Other current	620,789	599,336	21,453
Subtotal	665,941	659,649	6,292
City Clerk:			
Personnel services	157,051	211,684	(54,633)
Other current	107,053	105,702	1,351
Subtotal	264,104	317,386	(53,282)
City Manager			
Personnel services	335,055	319,400	15,655
Other current	231,907	202,898	29,009
Subtotal	566,962	522,298	44,664
Finance			
Personnel services	546,613	536,150	10,463
Other current	589,181	571,136	18,045
Subtotal	1,135,794	1,107,286	28,508
Human Resources			
Personnel services	370,266	372,442	(2,176)
Other current	253,056	219,362	33,694
Subtotal	623,322	591,804	31,518
Risk Management			
Personnel services	43,682	39,139	4,543
Other current	277,014	265,836	11,178
Subtotal	320,696	304,975	15,721
Treasurer			
Personnel services	31,699	30,756	943
Other current	79,641	77,880	1,761
Subtotal	111,340	108,636	2,704
City Attorney			
Personnel services	5,913	7,490	(1,577)
Other current	214,314	248,018	(33,704)
Subtotal	220,227	255,508	(35,281)
Planning			
Personnel services	44,703	70,318	(25,615)
Other current	148,973	56,998	91,975
Subtotal	193,676	127,316	66,360
TOTAL GENERAL GOVERNMENT	4,102,062	3,994,858	107,204

(Continued)

CITY OF BELMONT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY			
Police Administration			
Personnel services	212,477	208,266	4,211
Other current	278,114	269,896	8,218
Subtotal	490,591	478,162	12,429
Patrol			
Personnel services	2,474,736	2,543,844	(69,108)
Other current	872,419	859,985	12,434
Capital outlay	4,000	3,758	242
Subtotal	3,351,155	3,407,587	(56,432)
Traffic			
Personnel services	370,072	391,220	(21,148)
Other current	244,594	255,610	(11,016)
Capital outlay	4,000	3,758	242
Subtotal	618,666	650,588	(31,922)
Investigations / Youth Services			
Personnel services	331,445	261,307	70,138
Other current	185,573	178,817	6,756
Subtotal	517,018	440,124	76,894
Communications			
Personnel services	403,931	420,687	(16,756)
Other current	175,030	170,517	4,513
Capital outlay	5,000		5,000
Subtotal	583,961	591,204	(7,243)
Records			
Personnel services	419,696	348,569	71,127
Other current	178,477	171,483	6,994
Capital outlay			
Subtotal	598,173	520,052	78,121
Training / Crime Prevention			
Personnel services	77,450	69,589	7,861
Other current	142,443	135,647	6,796
Capital outlay			
Subtotal	219,893	205,236	14,657
TOTAL PUBLIC SAFETY	6,379,457	6,292,953	86,504

(Continued)

CITY OF BELMONT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
<b>CULTURE &amp; RECREATION</b>			
Recreation			
Personnel services	359,362	363,137	(3,775)
Other current	224,695	218,943	5,752
Subtotal	<u>584,057</u>	<u>582,080</u>	<u>1,977</u>
Barrett Community Center			
Other current	174,990	75,048	99,942
Debt service	20,100	8,673	11,427
Subtotal	<u>195,090</u>	<u>83,721</u>	<u>111,369</u>
Senior / Community Center			
Personnel services	124,978	113,057	11,921
Other current	121,150	130,411	(9,261)
Subtotal	<u>246,128</u>	<u>243,468</u>	<u>2,660</u>
Parks Maintenance			
Personnel services	586,980	605,427	(18,447)
Other current	559,151	491,757	67,394
Capital outlay	2,500	2,500	
Subtotal	<u>1,148,631</u>	<u>1,099,684</u>	<u>48,947</u>
School Field Maintenance			
Personnel services	36,827	20,488	16,339
Other current	145,689	96,518	49,171
Subtotal	<u>182,516</u>	<u>117,006</u>	<u>65,510</u>
<b>TOTAL CULTURE &amp; RECREATION</b>	<u>2,356,422</u>	<u>2,125,959</u>	<u>230,463</u>
<b>MISCELLANEOUS</b>			
Personnel services	29,230	32,155	(2,925)
Other current	155,115	78,415	76,700
Capital outlay	10,164	10,311	(147)
Subtotal	<u>194,509</u>	<u>120,881</u>	<u>73,628</u>
<b>TOTAL GENERAL FUND</b>	<u>\$13,032,450</u>	<u>\$12,534,651</u>	<u>\$497,799</u>

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## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenue sources that are restricted by law or administrative action to expenditures for specified purposes. Special Revenue Funds used at the City include:

**Co-Sponsored Recreation Fund** – To account for certain recreation programs where the major portion of the expenditures are financed by user fees.

**Development Services** - To account for resources received from current planning and building inspection fees and permits.

**Belmont Fire Protection District Fund** – To account for resources received from the citizens of Belmont to finance the City's participation in the South County Fire Authority.

**Supplemental Law Enforcement Services Fund** - To account for resources received from the State of California to be spent on front line law enforcement needs.

**Law Enforcement Block Grant** - To account for law enforcement resources from the U.S. Department of Justice to use for projects to reduce crime and improve public safety.

**Public Safety Grants** - To account for grants for the purchase of public safety equipment.

**Street Maintenance State Gasoline Tax Fund** – To account for gas tax resources restricted for expenditure on streets.

**Street Improvements - Measure A/Grants Fund** – To account for the City's portion of the special half cent sales tax receipts restricted for street expenditures and other street related grants.

**Traffic Mitigation** – To account for resources received and to be expended on relieving traffic congestion.

**COPSMORE 96** - To account for grant revenues received from the U.S. Department of Justice restricted for expenditures related to public safety information technology. The City of Belmont is the lead grant agency for four other cities in San Mateo County.

**Benefit Stabilization** - To account for certain accrued employee benefits.

**Redevelopment Agency Fund** – To account for resources received through the City of Belmont Redevelopment Agency not accounted for in the Low and Moderate Income Housing Fund.

**Low and Moderate Income Housing Fund** – To account for resources received through the City of Belmont Redevelopment Agency that are restricted for expenditure on low and moderate income housing programs.



CITY OF BELMONT  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	Co-Sponsored Recreation	Development Services	Belmont Fire Protection District	Supplemental Law Enforcement Services	Law Enforcement Block Grants	Public Safety Grants
<b>ASSETS</b>						
Cash and investments	\$36,786	\$12,768		\$13,014	\$1,618	\$67,315
Cash and investments with fiscal agent						
Receivables:						
Accounts		1,350	\$1,094			
Due from other governmental agencies			163,019			
Notes						
Land held for redevelopment						
Total Assets	<u>\$36,786</u>	<u>\$14,118</u>	<u>\$164,113</u>	<u>\$13,014</u>	<u>\$1,618</u>	<u>\$67,315</u>
<b>LIABILITIES</b>						
Accounts payable, compensated absences, and other liabilities / contracts payable	\$20,478	\$13,986	\$800		\$1,618	\$12,577
Deposits	16,308	132	100			252
Due to other funds			40,845			
Long term interfund receivables	<u>64,937</u>	<u>175,203</u>				
Total Liabilities	<u>101,723</u>	<u>189,321</u>	<u>41,745</u>		<u>1,618</u>	<u>12,829</u>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances		71,112				7,538
Land held for redevelopment						
Prepays, long term interfund receivables and notes						
Low and moderate income housing						
Unreserved, undesignated	<u>(64,937)</u>	<u>(246,315)</u>	<u>122,368</u>	<u>\$13,014</u>		<u>46,948</u>
Total Fund Balance (Deficit)	<u>(64,937)</u>	<u>(175,203)</u>	<u>122,368</u>	<u>13,014</u>		<u>54,486</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$36,786</u>	<u>\$14,118</u>	<u>\$164,113</u>	<u>\$13,014</u>	<u>\$1,618</u>	<u>\$67,315</u>

Street Maintenance State Gasoline Tax	Street Improvements - Measure A/Grants	Traffic Mitigation	COPSMORE 96	Benefit Stabilization	Redevelopment Agency	Low and Moderate Income Housing	TOTALS	
							2002	2001
	\$377,063	\$82,261		\$134,417	\$1,466	\$4,054,243 135	\$4,780,951 135	\$4,124,937 11,561
\$650	16,957						20,051	126,615
52,127	269,228		\$75,162				559,536	446,758
						930,066	930,066	1,054,616
						1,280,000	1,280,000	1,280,000
<u>\$52,777</u>	<u>\$663,248</u>	<u>\$82,261</u>	<u>\$75,162</u>	<u>\$134,417</u>	<u>\$1,466</u>	<u>\$6,264,444</u>	<u>\$7,570,739</u>	<u>\$7,044,487</u>
\$20,506	\$68,215			\$134,417	\$1,466	\$10,854	\$284,917	\$161,390
							16,792	12,621
29,765			\$39,829				110,439	447,494
							240,140	
<u>50,271</u>	<u>68,215</u>		<u>39,829</u>	<u>134,417</u>	<u>1,466</u>	<u>10,854</u>	<u>652,288</u>	<u>621,505</u>
9,944	363,399					115,481	567,474	499,046
						1,280,000	1,280,000	1,280,000
						930,066	930,066	1,054,616
						3,928,043	3,928,043	3,104,877
(7,438)	231,634	\$82,261	35,333				212,868	484,443
2,506	595,033	82,261	35,333			6,253,590	6,918,451	6,422,982
<u>\$52,777</u>	<u>\$663,248</u>	<u>\$82,261</u>	<u>\$75,162</u>	<u>\$134,417</u>	<u>\$1,466</u>	<u>\$6,264,444</u>	<u>\$7,570,739</u>	<u>\$7,044,487</u>

CITY OF BELMONT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Co-Sponsored Recreation	Development Services	Belmont Fire Protection District	Supplemental Law Enforcement Services	Law Enforcement Block Grants	Public Safety Grants
REVENUES						
Taxes			\$4,191,942			
Licenses and permits		\$672,474				
Use of money and property	\$14,861	4,741		\$801	\$134	\$2,932
Intergovernmental			55,213	100,000	8,355	37,843
Charges for current services	668,754	628,819				
Miscellaneous	10,900	8,312				6,478
Total Revenues	694,515	1,314,346	4,247,155	100,801	8,489	47,253
EXPENDITURES						
Public safety		581,983	4,213,754	115,470	18,918	94,265
Highways and streets		414,728				
Culture and recreation	1,019,436					
Urban redevelopment		499,215				
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	1,019,436	1,495,926	4,213,754	115,470	18,918	94,265
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(324,921)	(181,580)	33,401	(14,669)	(10,429)	(47,012)
OTHER FINANCING SOURCES (USES)						
Proceeds of long-term borrowings					12,428	
Operating transfers in	259,984				(6,156)	
Operating transfers (out)						
Total Other Financing Sources (Uses)	259,984				6,272	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(64,937)	(181,580)	33,401	(14,669)	(4,157)	(47,012)
Fund balances at beginning of year		6,377	88,967	27,683	4,157	101,498
FUND BALANCES(DEFICITS) AT END OF YEAR	(\$64,937)	(\$175,203)	\$122,368	\$13,014		\$54,486

Street Maintenance State Gasoline Tax	Street Improvements - Measure A/Grants	Traffic Mitigation	COPSMORE 96	Benefit Stabilization	Redevelopment Agency	Low and Moderate Income Housing	TOTALS	
							2002	2001
\$699,315	\$416,903					\$1,292,855	\$6,601,015	\$6,238,745
							672,474	497,632
2,145	6,364	\$2,250			\$656	135,050	169,934	211,624
	431,731		\$242,889				876,031	1,106,510
1,172							1,298,745	1,324,192
5,968							31,658	25,031
708,600	854,998	2,250	242,889		656	1,427,905	9,649,857	9,403,734
							5,024,390	4,539,581
1,237,025							1,651,753	1,635,427
					548,905	272,857	1,019,436	916,073
						50,903	1,320,977	1,262,089
16,712	707,324		242,889				1,017,828	1,584,552
						100,000	100,000	95,000
						215,839	215,839	222,421
1,253,737	707,324		242,889		548,905	639,599	10,350,223	10,255,143
(545,137)	147,674	2,250			(548,249)	788,306	(700,366)	(851,409)
					596,166		596,166	524,351
500,000	200,000						972,412	1,113,515
(200,000)					(166,587)		(372,743)	(81,552)
300,000	200,000				429,579		1,195,835	1,556,314
(245,137)	347,674	2,250			(118,670)	788,306	495,469	704,905
247,643	247,359	80,011	35,333		118,670	5,465,284	6,422,982	5,718,077
\$2,506	\$595,033	\$82,261	\$35,333			\$6,253,590	\$6,918,451	\$6,422,982

CITY OF BELMONT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Co-Sponsored Recreation			
2002		Variance	2001
Budget	Actual	Favorable (Unfavorable)	Actual
<b>REVENUES</b>			
Taxes			
Licenses and permits			
Use of money and property	\$15,600	\$14,861	\$39
Intergovernmental			
Charges for current services	735,456	668,754	618,576
Miscellaneous	17,000	10,900	(6,100)
Total Revenues	768,056	694,515	618,615
<b>EXPENDITURES</b>			
Public safety			
Highways and streets			
Culture and recreation	1,029,034	1,019,436	9,598
Urban redevelopment			916,073
Capital outlay			
Debt service:			
Principal			
Interest			
Total Expenditures	1,029,034	1,019,436	9,598
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(260,978)	(324,921)	(63,943)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of long-term borrowings			
Operating transfers in	260,977	259,984	(993)
Operating transfers (out)			272,110
Total Other Financing Sources (Uses)	260,977	259,984	(993)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(\$1)	(64,937)	(\$64,936)
Fund balances at beginning of year			25,348
FUND BALANCES(DEFICITS) AT END OF YEAR		(\$64,937)	

Development Services				Belmont Fire Protection District			
2002				2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
\$536,500	\$672,474	\$135,974	\$497,632	\$4,268,323	\$4,191,942	(\$76,381)	\$3,826,490
	4,741	4,741	5,377				
947,645	628,819	(318,826)	693,223	57,100	55,213	(1,887)	55,936
3,000	8,312	5,312	2,182				
1,487,145	1,314,346	(172,799)	1,198,414	4,325,423	4,247,155	(78,268)	3,882,426
697,884	581,983	115,901	547,648	4,222,475	4,213,754	8,721	3,861,633
559,322	414,728	144,594	607,047				
647,367	499,215	148,152	612,234				
1,904,573	1,495,926	408,647	1,766,929	4,222,475	4,213,754	8,721	3,861,633
(417,428)	(181,580)	235,848	(568,515)	102,948	33,401	(69,547)	20,793
			288,804				
			288,804				
(\$417,428)	(181,580)	\$235,848	(279,711)	\$102,948	33,401	(\$69,547)	20,793
	6,377		286,088		88,967		68,174
	(\$175,203)		\$6,377		\$122,368		\$88,967

(Continued)

CITY OF BELMONT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Supplemental Law Enforcement Services			
2002		Variance	2001
Budget	Actual	Favorable (Unfavorable)	Actual
REVENUES			
Taxes			
Licenses and permits			
Use of money and property	\$2,216	\$801	\$2,583
Intergovernmental	100,000		100,000
Charges for current services			
Miscellaneous			
Total Revenues	102,216	(1,415)	102,583
EXPENDITURES			
Public safety	125,178	9,708	97,073
Highways and streets			
Culture and recreation			
Urban redevelopment			
Capital outlay	20,375	20,375	
Debt service:			
Principal			
Interest			
Total Expenditures	145,553	30,083	97,073
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(43,337)	28,668	5,510
OTHER FINANCING SOURCES (USES)			
Proceeds of long-term borrowings			
Operating transfers in			
Operating transfers (out)			(5,297)
Total Other Financing Sources (Uses)			(5,297)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(\$43,337)</u>	<u>\$28,668</u>	213
Fund balances at beginning of year		27,683	27,470
FUND BALANCES(DEFICITS) AT END OF YEAR		<u>\$13,014</u>	<u>\$27,683</u>

Law Enforcement Block Grants				Public Safety Grants			
2002				2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
	\$134	\$134	\$65	\$9,929	\$2,932	(\$6,997)	\$4,865
\$11,000	8,355	(2,645)	14,775	157,721	37,843	(119,878)	109,040
				3,400	6,478	3,078	3,446
11,000	8,489	(2,511)	14,840	171,050	47,253	(123,797)	117,351
26,637	18,918	7,719	12,077	259,472	94,265	165,207	21,150
26,637	18,918	7,719	12,077	259,472	94,265	165,207	21,150
(15,637)	(10,429)	5,208	2,763	(88,422)	(47,012)	41,410	96,201
5,868	12,428	6,560	1,394				5,297
	(6,156)	(6,156)					
5,868	6,272	404	1,394				5,297
(\$9,769)	(4,157)	\$5,612	4,157	(\$88,422)	(47,012)	\$41,410	101,498
	4,157				101,498		
			\$4,157		\$54,486		\$101,498

(Continued)



CITY OF BELMONT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Street Maintenance State Gasoline Tax			
	2002		2001 Actual
	Budget	Actual Variance Favorable (Unfavorable)	
REVENUES			
Taxes	\$711,881	\$699,315	\$827,214
Licenses and permits		2,145	1,075
Use of money and property			
Intergovernmental	12,800	1,172	12,393
Charges for current services	5,000	5,968	4,378
Miscellaneous			
Total Revenues	729,681	708,600	845,060
EXPENDITURES			
Public safety			
Highways and streets	1,182,263	1,237,025	1,028,380
Culture and recreation			
Urban redevelopment			
Capital outlay	16,266	16,712	17,540
Debt service:			
Principal			
Interest			
Total Expenditures	1,198,529	1,253,737	1,045,920
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(468,848)	(545,137)	(200,860)
OTHER FINANCING SOURCES (USES)			
Proceeds of long-term borrowings			448,503
Operating transfers in	500,000	500,000	
Operating transfers (out)	(200,000)	(200,000)	
Total Other Financing Sources (Uses)	300,000	300,000	448,503
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(\$168,848)	(245,137)	247,643
Fund balances at beginning of year		247,643	
FUND BALANCES(DEFICITS) AT END OF YEAR		\$2,506	\$247,643

Street Improvements - Measure A/Grants				Traffic Mitigation			
2002				2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
\$592,200	\$416,903	(\$175,297)	\$554,206				
	6,364	6,364	3,923	\$3,468	\$2,250	(\$1,218)	\$3,756
1,221,000	431,731	(789,269)	467,515				
			13,025				
1,813,200	854,998	(958,202)	1,038,669	3,468	2,250	(1,218)	3,756
2,048,072	707,324	1,340,748	736,207				
2,048,072	707,324	1,340,748	736,207				
(234,872)	147,674	382,546	302,462	3,468	2,250	(1,218)	3,756
200,000	200,000		21,152				76,255
			(76,255)				
200,000	200,000		(55,103)				76,255
(\$34,872)	347,674	\$382,546	247,359	\$3,468	2,250	(\$1,218)	80,011
	247,359				80,011		
	\$595,033		\$247,359		\$82,261		\$80,011

(Continued)

CITY OF BELMONT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	COPSMORE 96			
	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
REVENUES				
Taxes				
Licenses and permits				
Use of money and property				
Intergovernmental	\$425,204	\$242,889	(\$182,315)	\$359,244
Charges for current services				
Miscellaneous				
Total Revenues	<u>425,204</u>	<u>242,889</u>	<u>(182,315)</u>	<u>359,244</u>
EXPENDITURES				
Public safety				
Highways and streets				
Culture and recreation				
Urban redevelopment				
Capital outlay	523,901	242,889	281,012	356,035
Debt service:				
Principal				
Interest				
Total Expenditures	<u>523,901</u>	<u>242,889</u>	<u>281,012</u>	<u>356,035</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(98,697)</u>		<u>98,697</u>	<u>3,209</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of long-term borrowings				
Operating transfers in				
Operating transfers (out)				
Total Other Financing Sources (Uses)				
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(\$98,697)</u>		<u>\$98,697</u>	<u>3,209</u>
Fund balances at beginning of year		35,333		32,124
FUND BALANCES(DEFICITS) AT END OF YEAR		<u>\$35,333</u>		<u>\$35,333</u>

Benefit Stabilization			Redevelopment Agency			
2002			2002			2001
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Actual
				\$656	\$656	
\$200,000		(\$200,000)				\$2,000
200,000		(200,000)		656	656	2,000
			\$804,173	548,905	255,268	397,269 128,388
			804,173	548,905	255,268	525,657
200,000		(200,000)	(804,173)	(548,249)	255,924	(523,657)
			805,505	596,166	(209,339)	524,351
			(166,587)	(166,587)		
			638,918	429,579	(209,339)	524,351
\$200,000		(\$200,000)	(\$165,255)	(118,670)	\$46,585	694
				118,670		117,976
						\$118,670
						(Continued)

CITY OF BELMONT  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Low and Moderate Income Housing			
	2002		2001 Actual
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$1,119,168	\$1,292,855	\$173,687
Licenses and permits			
Use of money and property	150,157	135,050	(15,107)
Intergovernmental			
Charges for current services			
Miscellaneous			
Total Revenues	<u>1,269,325</u>	<u>1,427,905</u>	<u>158,580</u>
EXPENDITURES			
Public safety			
Highways and streets			
Culture and recreation			
Urban redevelopment	421,069	272,857	148,212
Capital outlay	1,245,000	50,903	1,194,097
Debt service:			
Principal	95,000	100,000	(5,000)
Interest	222,421	215,839	6,582
Total Expenditures	<u>1,983,490</u>	<u>639,599</u>	<u>1,343,891</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(714,165)</u>	<u>788,306</u>	<u>1,502,471</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of long-term borrowings	805,505		(805,505)
Operating transfers in			
Operating transfers (out)			
Total Other Financing Sources (Uses)	<u>805,505</u>		<u>(805,505)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$91,340</u>	<u>788,306</u>	<u>\$696,966</u>
Fund balances at beginning of year		<u>5,465,284</u>	<u>5,160,897</u>
FUND BALANCES(DEFICITS) AT END OF YEAR		<u>\$6,253,590</u>	<u>\$5,465,284</u>

TOTALS			
2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
\$6,691,572	\$6,601,015	(\$90,557)	\$6,238,745
536,500	672,474	135,974	497,632
181,370	169,934	(11,436)	211,624
1,972,025	876,031	(1,095,994)	1,106,510
1,695,901	1,298,745	(397,156)	1,324,192
28,400	31,658	3,258	25,031
11,105,768	9,649,857	(1,455,911)	9,403,734
5,331,646	5,024,390	307,256	4,539,581
1,741,585	1,651,753	89,832	1,635,427
1,029,034	1,019,436	9,598	916,073
1,872,609	1,320,977	551,632	1,262,089
3,853,614	1,017,828	2,835,786	1,584,552
95,000	100,000	(5,000)	95,000
222,421	215,839	6,582	222,421
14,145,909	10,350,223	3,795,686	10,255,143
(3,040,141)	(700,366)	2,339,775	(851,409)
1,611,010	596,166	(1,014,844)	524,351
966,845	972,412	5,567	1,113,515
(366,587)	(372,743)	(6,156)	(81,552)
2,211,268	1,195,835	(1,015,433)	1,556,314
(\$828,873)	495,469	\$1,324,342	704,905
	6,422,982		5,718,077
	\$6,918,451		\$6,422,982

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<b>DEBT SERVICE FUNDS</b>
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Debt Service Funds are used to account for the accumulation of resources for, and payment of, principal and interest on the City's debt. Debt Service Funds used at the City include:

**General Debt Service Fund** – To account for payment of interest and principal on general debt service of the City and related costs which include the Oracle Owner Participation Agreement.

**Redevelopment Agency Fund** – To account for payment and interest on the 1999 Series A and B Tax Allocation Bonds and related costs.



CITY OF BELMONT  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

			TOTALS	
	General Debt Service	Redevelopment Agency	2002	2001
ASSETS				
Cash and investments	\$13,343	\$1,360,084	\$1,373,427	\$1,846,548
Cash and investments with fiscal agent		2,172,363	2,172,363	2,320,670
Receivables:				
Due from other governmental agencies				1,098
Total Assets	<u>\$13,343</u>	<u>\$3,532,447</u>	<u>\$3,545,790</u>	<u>\$4,168,316</u>
LIABILITIES				
Accounts payable				\$687,707
Total Liabilities				<u>687,707</u>
FUND BALANCES				
Reserved for:				
Debt service		\$3,532,447	\$3,532,447	3,453,692
Unreserved:				
Designated for:				
Debt service	<u>\$13,343</u>		<u>13,343</u>	<u>26,917</u>
Total Fund Balances	<u>13,343</u>	<u>3,532,447</u>	<u>3,545,790</u>	<u>3,480,609</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$13,343</u>	<u>\$3,532,447</u>	<u>\$3,545,790</u>	<u>\$4,168,316</u>

CITY OF BELMONT  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General Debt Service	Redevelopment Agency	TOTALS	
			2002	2001
REVENUES				
Taxes	\$24,476	\$3,695,626	\$3,720,102	\$2,980,488
Intergovernmental	11		11	456
Use of money and property		72,350	72,350	208,739
Total Revenues	24,487	3,767,976	3,792,463	3,189,683
EXPENDITURES				
Current:				
Other	2,168	1,412,618	1,414,786	1,032,784
Debt Service:				
Principal	254,024	999,700	1,253,724	1,099,337
Interest and fiscal charges	167,678	1,249,278	1,416,956	1,353,851
Total Expenditures	423,870	3,661,596	4,085,466	3,485,972
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(399,383)	106,380	(293,003)	(296,289)
OTHER FINANCING SOURCES (USES)				
Operating transfer in	358,184		358,184	418,637
Total Other Financing Sources (Uses)	358,184		358,184	418,637
EXCESS OF REVENUES OVER EXPENDITURES	(41,199)	106,380	65,181	122,348
Fund balances at beginning of year	54,542	3,426,067	3,480,609	3,358,261
Fund balances at end of year	\$13,343	\$3,532,447	\$3,545,790	\$3,480,609

CITY OF BELMONT  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

General Debt Service			
2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES			
Taxes	\$24,476	\$24,476	\$33,638
Intergovernmental	11	11	456
Use of money and property			
Total Revenues	24,487	24,487	34,094
EXPENDITURES			
Current:			
Other	\$2,168	2,168	2,046
Debt Service:			
Principal	254,024	254,024	337,396
Interest and fiscal charges	167,680	167,678	87,728
Total Expenditures	423,872	423,870	427,170
EXCESS (DEFICIENCY) OF REVENUES AND OVER (UNDER) EXPENDITURES	(423,872)	(399,383)	(393,076)
OTHER FINANCING SOURCES (USES)			
Operating transfer	358,184	358,184	418,637
Total Other Financing Sources (Uses)	358,184	358,184	418,637
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(\$65,688)	(41,199)	25,561
Fund balances at beginning of year	54,542		28,981
FUND BALANCES AT END OF YEAR	\$13,343		\$54,542

Redevelopment Agency				TOTALS			
2002				2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
\$1,119,168	\$3,695,626	\$2,576,458	\$2,946,850	\$1,119,168	\$3,720,102	\$2,600,934	\$2,980,488
43,090	72,350	29,260	208,739	43,090	11 72,350	11 29,260	456 208,739
1,162,258	3,767,976	2,605,718	3,155,589	1,162,258	3,792,463	2,630,205	3,189,683
985,497	1,412,618	(427,121)	1,030,738	987,665	1,414,786	(427,121)	1,032,784
1,210,505	999,700	210,805	761,941	1,464,529	1,253,724	210,805	1,099,337
1,267,700	1,249,278	18,422	1,266,123	1,435,380	1,416,956	18,424	1,353,851
3,463,702	3,661,596	(197,894)	3,058,802	3,887,574	4,085,466	(197,892)	3,485,972
(2,301,444)	106,380	2,407,824	96,787	(2,725,316)	(293,003)	2,432,313	(296,289)
				358,184	358,184		418,637
				358,184	358,184		418,637
(\$2,301,444)	106,380	\$2,407,824	96,787	(\$2,367,132)	65,181	\$2,432,313	122,348
	3,426,067		3,329,280		3,480,609		3,358,261
	\$3,532,447		\$3,426,067		\$3,545,790		\$3,480,609

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<b>CAPITAL PROJECTS FUNDS</b>
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Capital Projects Funds are used to account for resources used for the improvements, acquisition and construction of capital facilities or major capital equipment. Capital Projects Funds used at the City include:

**General Facilities Fund** – To account for the construction and maintenance of improvements to general-use City facilities.

**City Hall Retrofit/Police Facilities** - To account for the design and construction of improvements to City Hall. These improvements include the police facility and retrofit of City Hall.

**Grade Separation Projects** – To account for the construction of a street and rail grade separation projects at Ralston Avenue and Harbor Boulevard.

**Ralston/Rt. 101 Interchange - Island Park** – To account for funding and construction of improvements to the direct access to highway 101 at Ralston Avenue.

**Planned Park Fund** – To account for the acquisition and improvement of parks, playgrounds, and recreation facilities.

**Open Space** – To account for the accumulation of resources for the acquisition of open space.

**Special Assessment District** – To account for maintenance and improvement costs within City's Special Assessment District boundaries. Resources represent funds remaining after the retirement of Special Assessment Debt.

**Library Fund** – To account for design and construction of a new City Library.

**RDA Projects** – To account for improvements in the downtown area.

CITY OF BELMONT  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

	<u>General Facilities</u>	<u>City Hall Retrofit/Police Facilities</u>	<u>Grade Separation Projects</u>	<u>Ralston/Rt. 101 Interchange - Island Park</u>
<b>ASSETS</b>				
Cash and investments	\$919,944	\$6,009,646		\$4,002,738
Cash and investments with fiscal agent			\$2,021,298	
Receivables:				
Accounts				
Due from other governmental agencies			1,226,621	
Due from other funds				
Prepays and other assets				
Land held for redevelopment				
Total Assets	<u>\$919,944</u>	<u>\$6,009,646</u>	<u>\$3,247,919</u>	<u>\$4,002,738</u>
<b>LIABILITIES</b>				
Accounts payable, compensated absences, and other liabilities / contracts payable	\$499		\$1,226,621	\$3,924
Due to other funds				
Deferred revenue			2,021,298	
Advance from SMCTA				
Total Liabilities	<u>499</u>		<u>3,247,919</u>	<u>3,924</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	10,500	\$112,820		459,779
Prepays and other assets				
Land held for redevelopment				
Capital projects				3,539,035
Unreserved, Designated for Capital Projects	908,945	5,896,826		
Unreserved, Undesignated				
Total Fund Balances	<u>919,445</u>	<u>6,009,646</u>		<u>3,998,814</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$919,944</u>	<u>\$6,009,646</u>	<u>\$3,247,919</u>	<u>\$4,002,738</u>

Planned Park	Open Space	Special Assessment District	Library Fund	RDA Projects	TOTALS	
					2002	2001
\$362,100	\$2,105	\$248,734		\$7,772,128	\$19,317,395 2,021,298	\$19,155,034 2,101,297
					1,226,621	298,131 1,319,720
			\$220,307		220,307	72,685
				298,748	298,748	298,748
<u>\$362,100</u>	<u>\$2,105</u>	<u>\$248,734</u>	<u>\$220,307</u>	<u>\$8,070,876</u>	<u>\$23,084,369</u>	<u>\$23,245,615</u>
\$77		\$4,156		\$3,155	\$1,238,432	\$1,483,715 72,685
			\$220,307		220,307 2,021,298	2,034,136
<u>77</u>		<u>4,156</u>	<u>220,307</u>	<u>3,155</u>	<u>3,480,037</u>	<u>3,590,536</u>
1,784				39,493	624,376	638,461
			220,307		220,307	
				298,748	298,748	298,748
					3,539,035	4,075,489
		244,578			7,050,349	6,605,518
<u>360,239</u>	<u>\$2,105</u>		<u>(\$220,307)</u>	<u>7,729,480</u>	<u>7,871,517</u>	<u>8,036,863</u>
<u>362,023</u>	<u>2,105</u>	<u>244,578</u>		<u>8,067,721</u>	<u>19,604,332</u>	<u>19,655,079</u>
<u>\$362,100</u>	<u>\$2,105</u>	<u>\$248,734</u>	<u>\$220,307</u>	<u>\$8,070,876</u>	<u>\$23,084,369</u>	<u>\$23,245,615</u>



CITY OF BELMONT  
CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General Facilities	City Hall Retrofit/Police Facilities	Grade Separation Projects	Ralston/Rt. 101 Interchange - Island Park
REVENUES				
Taxes				
Use of money and property	\$60,114	\$164,884		\$83,000
Intergovernmental			\$12,838	89,875
Miscellaneous				
Total Revenues	60,114	164,884	12,838	172,875
EXPENDITURES				
Capital outlay:				
General government	75,086	113,805		
Highways and streets			12,838	
Culture and recreation				249,550
Debt service				
Interest, fiscal charges and issuance costs				
Total Expenditures	75,086	113,805	12,838	249,550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,972)	51,079		(76,675)
OTHER FINANCING SOURCES (USES)				
Operating transfers in		85,000		
Operating transfers (out)	(135,000)			
Total Other Financing Sources (Uses)	(135,000)	85,000		
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(149,972)	136,079		(76,675)
Fund balances at beginning of year	1,071,596	5,873,567		4,075,489
Residual equity transfer in				
Residual equity transfer(out)	(2,179)			
FUND BALANCES AT END OF YEAR	\$919,445	\$6,009,646		\$3,998,814

Planned Park	Open Space	Special Assessment District	Library Fund	RDA Projects	TOTALS	
					2002	2001
\$80,000					\$80,000	
9,046	\$57	\$2,651	\$101	\$294,135	613,988	\$1,110,906
					102,713	4,936,628
500					500	500
89,546	57	2,651	101	294,135	797,201	6,048,034
			108,123		297,014	638,200
					12,838	4,012,480
60,990				446,137	756,677	1,231,316
				3,849	3,849	4,279
60,990			108,123	449,986	1,070,378	5,886,275
28,556	57	2,651	(108,022)	(155,851)	(273,177)	161,759
			105,843	166,587	357,430	3,311,990
					(135,000)	(3,311,990)
			105,843	166,587	222,430	
28,556	57	2,651	(2,179)	10,736	(50,747)	161,759
333,467	2,048	241,927		8,056,985	19,655,079	19,493,320
			2,179		2,179	
					(2,179)	
\$362,023	\$2,105	\$244,578		\$8,067,721	\$19,604,332	\$19,655,079

CITY OF BELMONT  
CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General Facilities			
	2002			
	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Taxes				
Use of money and property	\$90,599	\$60,114	(\$30,485)	\$147,642
Intergovernmental				
Miscellaneous	300,000		(300,000)	
Total Revenues	390,599	60,114	(330,485)	147,642
EXPENDITURES				
Capital outlay:				
General government	191,444	75,086	116,358	235,855
Highways and streets				
Culture and recreation				
Debt service				
Interest, fiscal charges and issuance costs				
Total Expenditures	191,444	75,086	116,358	235,855
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	199,155	(14,972)	(214,127)	(88,213)
OTHER FINANCING SOURCES (USES)				
Operating transfers in				592,165
Operating transfers (out)	(85,000)	(135,000)	(50,000)	(2,503,153)
Total Other Financing Sources (Uses)	(85,000)	(135,000)	(50,000)	(1,910,988)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$114,155	(149,972)	(\$264,127)	(1,999,201)
Fund balances at beginning of year		1,071,596		3,070,797
Residual equity transfers in				
Residual equity transfers (out)		(2,179)		
Fund balance at end of year		\$919,445		\$1,071,596

City Hall Retrofit/Police Facilities				Ralston/Rt. 101 Interchange - Island Park			
2002				2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
\$229,030	\$164,884	(\$64,146)	\$226,971	\$167,039	\$83,000 89,875	(\$84,039) 89,875	\$200,106 316,398
<u>229,030</u>	<u>164,884</u>	<u>(64,146)</u>	<u>226,971</u>	<u>167,039</u>	<u>172,875</u>	<u>5,836</u>	<u>516,504</u>
5,941,418	113,805	5,827,613	402,345	2,030,274	249,550	1,780,724	597,885
<u>5,941,418</u>	<u>113,805</u>	<u>5,827,613</u>	<u>402,345</u>	<u>2,030,274</u>	<u>249,550</u>	<u>1,780,724</u>	<u>597,885</u>
<u>(5,712,388)</u>	<u>51,079</u>	<u>5,763,467</u>	<u>(175,374)</u>	<u>(1,863,235)</u>	<u>(76,675)</u>	<u>1,786,560</u>	<u>(81,381)</u>
85,000	85,000		2,503,153				
<u>85,000</u>	<u>85,000</u>		<u>2,503,153</u>				
<u>(5,627,388)</u>	136,079	<u>5,763,467</u>	2,327,779	<u>(1,863,235)</u>	(76,675)	<u>\$1,786,560</u>	(81,381)
	5,873,567		3,545,788		4,075,489		4,156,870
	<u>\$6,009,646</u>		<u>\$5,873,567</u>		<u>\$3,998,814</u>		<u>\$4,075,489</u>

(Continued)

CITY OF BELMONT  
CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Planned Park		
	2002		
	Budget	Actual	Variance Favorable (Unfavorable)
			2001 Actual
REVENUES			
Taxes	\$700,000	\$80,000	(\$620,000)
Use of money and property	52,817	9,046	(43,771)
Intergovernmental	313,139		(313,139)
Miscellaneous		500	500
Total Revenues	1,065,956	89,546	(976,410)
EXPENDITURES			
Capital outlay:			
General government			
Highways and streets			
Culture and recreation	226,037	60,990	165,047
Debt service			
Interest, fiscal charges and issuance costs			
Total Expenditures	226,037	60,990	165,047
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	839,919	28,556	(811,363)
OTHER FINANCING SOURCES (USES)			
Operating transfers in			216,672
Operating transfers (out)			
Total Other Financing Sources (Uses)			216,672
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$839,919	28,556	(\$811,363)
Fund balances at beginning of year		333,467	534,618
Residual equity transfers in			
Residual equity transfers (out)			
Fund balance at end of year		\$362,023	\$333,467

Open Space				Library Fund			
2002				2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual	Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
\$84	\$57	(\$27)	\$102		\$101	\$101	
84	57	(27)	102		101	101	
				\$130,000	108,123	21,877	
				130,000	108,123	21,877	
84	57	(27)	102	(130,000)	(108,022)	21,978	
					105,843	105,843	
					105,843	105,843	
<u>\$84</u>	57	<u>(\$27)</u>	102	<u>(\$130,000)</u>	(2,179)	<u>\$127,821</u>	
	2,048		1,946		2,179		
	<u>\$2,105</u>		<u>\$2,048</u>				

(Continued)

CITY OF BELMONT  
CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	RDA Projects		
	2002		2001 Actual
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes			
Use of money and property	\$343,855	\$294,135	(\$49,720)
Intergovernmental			
Miscellaneous			
Total Revenues	<u>343,855</u>	<u>294,135</u>	<u>(49,720)</u>
EXPENDITURES			
Capital outlay:			
General government			
Highways and streets	7,867,137	446,137	7,421,000
Culture and recreation			
Debt service			
Interest, fiscal charges and issuance costs	<u>3,850</u>	<u>3,849</u>	<u>1</u>
Total Expenditures	<u>7,870,987</u>	<u>449,986</u>	<u>7,421,001</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,527,132)</u>	<u>(155,851)</u>	<u>7,371,281</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	166,587	166,587	
Operating transfers (out)			(216,672)
Total Other Financing Sources (Uses)	<u>166,587</u>	<u>166,587</u>	<u>(216,672)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(\$7,360,545)</u>	<u>10,736</u>	<u>\$7,371,281</u>
Fund balances at beginning of year		8,056,985	7,953,607
Residual equity transfers in			
Residual equity transfers (out)			
Fund balance at end of year		<u>\$8,067,721</u>	<u>\$8,056,985</u>

TOTALS			
2002			
Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
\$700,000	\$80,000	(\$620,000)	
883,424	611,337	(272,087)	\$1,094,258
313,139	89,875	(223,264)	336,398
300,000	500	(299,500)	500
2,196,563	781,712	(1,414,851)	1,431,156
6,262,862	297,014	5,965,848	638,200
9,897,411	695,687	9,201,724	772,423
226,037	60,990	165,047	458,893
3,850	3,849	1	4,279
16,390,160	1,057,540	15,332,620	1,873,795
(14,193,597)	(275,828)	13,917,769	(442,639)
251,587	357,430	105,843	3,311,990
(85,000)	(135,000)	(50,000)	(2,719,825)
166,587	222,430	55,843	592,165
(\$14,027,010)	(53,398)	\$13,973,612	149,526
	19,413,152		19,263,626
	2,179		
	(2,179)		
	\$19,359,754		\$19,413,152



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<b>ENTERPRISE FUNDS</b>
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Enterprise Funds are used to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are primarily supported by user charges. Enterprise Funds used at the City include:

**Sewer Fund** – To account for sanitary sewer services provided to the citizens of Belmont. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, treatment, maintenance, capital improvement, and billing and collection.

**Storm Drainage Fund** – To account for the maintenance of the storm drain system, street cleaning and other activities related to the mandated National Pollution Discharge Elimination System (NPDES).

CITY OF BELMONT  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

			TOTALS	
	Sewer	Storm Drainage	2002	2001
ASSETS				
Cash and investments	\$5,483,063	\$791,347	\$6,274,410	\$261,925
Cash and investments with fiscal agent	622,492		622,492	
Accounts receivable	124,024	19,078	143,102	291,398
Investment in SBSA	5,024,471		5,024,471	4,886,873
Fixed assets, net	8,090,199	772,230	8,862,429	8,009,155
Total Assets	<u>\$19,344,249</u>	<u>\$1,582,655</u>	<u>\$20,926,904</u>	<u>\$13,449,351</u>
LIABILITIES				
Accounts payable	\$291,008	\$20,710	\$311,718	\$234,072
Compensated absences	74,104	28,223	102,327	106,284
Long term debt	7,500,000		7,500,000	
Total Liabilities	<u>7,865,112</u>	<u>48,933</u>	<u>7,914,045</u>	<u>340,356</u>
FUND EQUITY				
Contributed capital	7,205,312	37,600	7,242,912	7,242,912
Retained earnings:				
Unreserved	<u>4,273,825</u>	<u>1,496,122</u>	<u>5,769,947</u>	<u>5,866,083</u>
Total Fund Equity	<u>11,479,137</u>	<u>1,533,722</u>	<u>13,012,859</u>	<u>13,108,995</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$19,344,249</u>	<u>\$1,582,655</u>	<u>\$20,926,904</u>	<u>\$13,449,351</u>

CITY OF BELMONT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Sewer	Storm Drainage	TOTALS	
			2002	2001
OPERATING REVENUES				
Charges for current services				
Sewer service charges	\$3,184,579		\$3,184,579	\$2,925,668
Sewer connection fees	178,446		178,446	187,538
NPDES storm drain charges		\$399,208	399,208	380,929
Total Operating Revenues	<u>3,363,025</u>	<u>399,208</u>	<u>3,762,233</u>	<u>3,494,135</u>
OPERATING EXPENSES				
Personnel services	834,950	174,192	1,009,142	908,634
Sewer services and supplies	1,316,959	311,156	1,628,115	2,208,276
Sewer treatment	916,889		916,889	876,672
Depreciation	<u>236,856</u>	<u>27,064</u>	<u>263,920</u>	<u>265,930</u>
Total Operating Expenses	<u>3,305,654</u>	<u>512,412</u>	<u>3,818,066</u>	<u>4,259,512</u>
Operating Income (Loss)	<u>57,371</u>	<u>(113,204)</u>	<u>(55,833)</u>	<u>(765,377)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest	151,908	9,946	161,854	87,371
Equity interest in SBSA - Joint Venture	(159,400)		(159,400)	(342,254)
Interest expense	(41,706)		(41,706)	
Miscellaneous	<u>(490)</u>	<u>(561)</u>	<u>(1,051)</u>	<u>20,742</u>
Net Nonoperating Revenues (Expenses)	<u>(49,688)</u>	<u>9,385</u>	<u>(40,303)</u>	<u>(234,141)</u>
Income (Loss) Before Operating Transfers	<u>7,683</u>	<u>(103,819)</u>	<u>(96,136)</u>	<u>(999,518)</u>
OPERATING TRANSFERS				
Operating transfers in		1,010,125	1,010,125	105,300
Operating transfers (out)	<u>(1,010,125)</u>		<u>(1,010,125)</u>	<u>(105,300)</u>
Net Income (Loss)	<u>(1,002,442)</u>	<u>906,306</u>	<u>(96,136)</u>	<u>(999,518)</u>
Retained earnings at beginning of year	<u>5,276,267</u>	<u>589,816</u>	<u>5,866,083</u>	<u>6,865,601</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$4,273,825</u></u>	<u><u>\$1,496,122</u></u>	<u><u>\$5,769,947</u></u>	<u><u>\$5,866,083</u></u>

CITY OF BELMONT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

			TOTALS	
	Sewer	Storm Drainage	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$57,371	(\$113,204)	(\$55,833)	(\$765,377)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	236,856	27,064	263,920	265,930
Miscellaneous receipts	(490)	(561)	(1,051)	20,742
Accounts receivable	153,715	(5,419)	148,296	(88,038)
Accounts payable	74,088	3,558	77,646	13,992
Compensated absences	(2,853)	(1,104)	(3,957)	17,851
Cash Flows from Operating Activities	518,687	(89,666)	429,021	(534,900)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in		1,010,125	1,010,125	105,300
Operating transfers out	(1,010,125)		(1,010,125)	(105,300)
Cash Flows from Noncapital Financing Activities	(1,010,125)	1,010,125		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from long term debt	7,500,000		7,500,000	
Interest expense	(41,706)		(41,706)	
Fixed asset additions	(866,440)	(250,754)	(1,117,194)	(282,750)
Cash Flows from Capital and Related Financing Activities	6,591,854	(250,754)	6,341,100	(282,750)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	151,908	9,946	161,854	87,371
Investment in SBSA	(296,998)		(296,998)	(209,818)
Cash Flows from Investing Activities	(145,090)	9,946	(135,144)	(122,447)
Net Cash Flows	5,955,326	679,651	6,634,977	(940,097)
Cash and investments at beginning of year	150,229	111,696	261,925	1,202,022
CASH AND INVESTMENTS AT END OF YEAR	\$6,105,555	\$791,347	\$6,896,902	\$261,925

<b>INTERNAL SERVICE FUNDS</b>
-------------------------------

Internal Service Funds are used to finance and account for goods and/or services provided by one City department to other City departments on a cost-reimbursement basis. Internal Service Funds used at the City include:

**Workers' Compensation Fund** – To account for the City's workers' compensation insurance program.

**Liability Insurance Fund** – To account for coverage on the City's general and automobile liability up to a retention of 100,000 per claim.

**Self-Funded Vision Fund** – To account for the City's dental and vision reimbursement plan for its employees.

**Fleet and Equipment Management** - To account for the interdepartmental services provided by the Automotive Services division and Information Technology division.

**Facilities Management** - To account for the interdepartmental services provided by the Facilities Management Division.

CITY OF BELMONT  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2001

						<u>TOTALS</u>	
	<u>Workers'</u>	<u>Liability</u>	<u>Self-</u>	<u>Fleet and</u>	<u>Facilities</u>	<u>2002</u>	<u>2001</u>
	<u>Compensation</u>	<u>Insurance</u>	<u>Funded</u>	<u>Equipment</u>	<u>Management</u>		
			<u>Vision</u>	<u>Management</u>			
<b>ASSETS</b>							
Cash and investments	\$176,665	\$633,823	\$44,934	\$1,270,839	\$96,024	\$2,222,285	\$1,504,708
Long term interfund receivables	189,849					189,849	294,220
Prepays and other assets	36,307			5,646		41,953	5,393
Fixed assets, net				1,296,846		1,296,846	1,262,456
Total Assets	<u>\$402,821</u>	<u>\$633,823</u>	<u>\$44,934</u>	<u>\$2,573,331</u>	<u>\$96,024</u>	<u>3,750,933</u>	<u>3,066,777</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts payable, claims payable, and compensated absences	<u>\$328,425</u>	<u>\$88,573</u>	<u>\$26,726</u>	<u>\$110,858</u>	<u>\$74,088</u>	<u>\$628,670</u>	<u>\$769,749</u>
Total Liabilities	<u>328,425</u>	<u>88,573</u>	<u>26,726</u>	<u>110,858</u>	<u>74,088</u>	<u>628,670</u>	<u>769,749</u>
<b>FUND EQUITY</b>							
Contributed capital				7,627		7,627	38,132
Retained earnings	<u>74,396</u>	<u>545,250</u>	<u>18,208</u>	<u>2,454,846</u>	<u>21,936</u>	<u>3,114,636</u>	<u>2,258,896</u>
Total Fund Equity	<u>74,396</u>	<u>545,250</u>	<u>18,208</u>	<u>2,462,473</u>	<u>21,936</u>	<u>3,122,263</u>	<u>2,297,028</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$402,821</u>	<u>\$633,823</u>	<u>\$44,934</u>	<u>\$2,573,331</u>	<u>\$96,024</u>	<u>\$3,750,933</u>	<u>\$3,066,777</u>

CITY OF BELMONT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

						TOTALS	
	Workers' Compensation	Liability Insurance	Self-Funded Vision	Fleet and Equipment Management	Facilities Management	2002	2001
OPERATING REVENUES							
Interdepartmental charges for services	\$400,341	\$226,657	\$29,010	\$1,927,680	\$543,639	\$3,127,327	\$2,784,230
Total Operating Revenues	400,341	226,657	29,010	1,927,680	543,639	3,127,327	2,784,230
OPERATING EXPENSES							
Insurance premiums	432,169					432,169	297,229
Professional and legal	3,904	37,462	1,344	423,032		465,742	419,406
Operating costs				549,234	626,257	1,175,491	1,075,963
Insurance claims, net of change in claims payable	131,318	72,857	29,215			233,390	192,943
Depreciation				387,560		387,560	232,349
Total Operating Expenses	567,391	110,319	30,559	1,359,826	626,257	2,694,352	2,217,890
Operating Income (Loss)	(167,050)	116,338	(1,549)	567,854	(82,618)	432,975	566,340
NONOPERATING REVENUE							
Proceeds from the sale of fixed assets				36,589		36,589	10,174
Interest	14,925	123,558	787	49,337	1,161	189,768	298,994
Grant revenue							4,500
Miscellaneous	59,038					59,038	
Total Nonoperating Expenses	73,963	123,558	787	85,926	1,161	285,395	313,668
Income (Loss) Before Operating Transfers	(93,087)	239,896	(762)	653,780	(81,457)	718,370	880,008
OPERATING TRANSFERS							
Operating transfers in			3,472		103,393	106,865	105,500
Net Income (Loss)	(93,087)	239,896	2,710	653,780	21,936	825,235	985,508
Depreciation closed out to contributed capital				30,505		30,505	121,356
Retained earnings at beginning of year	167,483	305,354	15,498	1,770,561		2,258,896	1,152,032
Retained earnings at end of year	\$74,396	\$545,250	\$18,208	\$2,454,846	\$21,936	\$3,114,636	\$2,258,896



CITY OF BELMONT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Workers' Compensation	Liability Insurance	Self-Funded Vision	Fleet and Equipment Management	Facilities Management	TOTALS	
						2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Operating Income (Loss)	(\$167,050)	\$116,338	(\$1,549)	\$567,854	(\$82,618)	\$432,975	\$566,340
Adjustments to reconcile operating income (loss) to cash flows from operating activities:							
Depreciation				387,560		387,560	232,349
Net effect of changes in:							
Prepays and other assets	(36,307)			(253)		(36,560)	(917)
Accounts payable and insurance claims payable	2,519	(121,579)	10,577	(32,623)	27	(141,079)	(100,085)
Cash Flows from Operating Activities	(200,838)	(5,241)	9,028	922,538	(82,591)	642,896	697,687
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Receipts from other funds	104,371					104,371	91,779
Grant revenues							4,500
Miscellaneous	59,038					59,038	
Operating transfers in			3,472		103,393	106,865	105,500
Cash Flows from Noncapital Financing Activities	163,409		3,472		103,393	270,274	201,779
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from sale of fixed assets				36,589		36,589	10,174
Fixed asset additions				(421,950)		(421,950)	(732,483)
Cash Flows from Capital and Related Financing Activities				(385,361)		(385,361)	(722,309)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest	14,925	123,558	787	49,337	1,161	189,768	298,994
Cash flows from investing activities	14,925	123,558	787	49,337	1,161	189,768	298,994
Net Cash Flows	(22,504)	118,317	13,287	586,514	21,963	717,577	476,151
Cash and investments at beginning of year	199,169	515,506	31,647	684,325	74,061	1,504,708	1,028,557
Cash and investments at end of year	\$176,665	\$633,823	\$44,934	\$1,270,839	\$96,024	\$2,222,285	\$1,504,708

<b>AGENCY FUNDS</b>
---------------------

Agency Funds account for assets held by the City as an agent for other governmental units, private organizations or individuals. Agency Funds used at the City include:

**Section 125 Benefits Plan** – To account for employee tax-free contributions and reinvestments for certain employee benefits established by the City under Section 125 of the Internal Revenue Code.

**Southern San Mateo Police Authority** – To account for maintenance of police communications.

CITY OF BELMONT  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2002

	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
<u>Section 125 Assessment</u>				
Assets:				
Cash and investments	<u>\$558</u>	<u>\$4,363</u>	<u></u>	<u>\$4,921</u>
Liabilities:				
Section 125 employee benefits payable	<u>\$558</u>	<u>\$4,363</u>	<u></u>	<u>\$4,921</u>
Total Liabilities	<u>\$558</u>	<u>\$4,363</u>	<u></u>	<u>\$4,921</u>
<u>Southern San Mateo Police Authority</u>				
Assets:				
Cash and investments	<u>\$27,817</u>	<u></u>	<u>\$7,365</u>	<u>\$20,452</u>
Total Assets	<u>\$27,817</u>	<u></u>	<u>\$7,365</u>	<u>\$20,452</u>
Liabilities:				
Deposits	<u>\$27,817</u>	<u></u>	<u>\$7,365</u>	<u>\$20,452</u>
Total Liabilities	<u>\$27,817</u>	<u></u>	<u>\$7,365</u>	<u>\$20,452</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	<u>\$28,375</u>	<u>\$4,363</u>	<u>\$7,365</u>	<u>\$25,373</u>
Total Assets	<u>\$28,375</u>	<u>\$4,363</u>	<u>\$7,365</u>	<u>\$25,373</u>
Liabilities:				
Deposits	<u>\$27,817</u>	<u></u>	<u>\$7,365</u>	<u>\$20,452</u>
Section 125 employee benefits payable	<u>558</u>	<u>4,363</u>	<u></u>	<u>4,921</u>
Total Liabilities	<u>\$28,375</u>	<u>\$4,363</u>	<u>\$7,365</u>	<u>\$25,373</u>

<b>GENERAL FIXED ASSETS ACCOUNT GROUP</b>
---

General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations.

CITY OF BELMONT  
SCHEDULES OF GENERAL FIXED ASSETS  
BY SOURCE  
JUNE 30, 2002 AND 2001

	<u>Balance June 30, 2002</u>	<u>Balance June 30, 2001</u>
General Fixed Assets		
Land	\$6,576,318	\$6,576,318
Buildings and building improvements	11,084,644	11,015,160
Improvements other than buildings	135,682	64,169
Machinery and equipment	1,812,803	1,716,102
Investment in SCFA joint venture	<u>4,384,064</u>	<u>4,384,064</u>
Total General Fixed Assets	<u>\$23,993,511</u>	<u>\$23,755,813</u>
Investment in general fixed assets from:		
Assets acquired prior to July 1, 1986	\$2,624,625	\$2,624,625
Assets acquired after to July 1, 1986		
General fund revenues	1,838,283	1,827,971
Special revenue fund revenues	12,000,829	11,914,440
Capital projects	293,874	293,874
General obligation bond proceeds	680,000	680,000
Other debt proceeds	1,704,782	1,563,785
Federal grants	300,000	300,000
State grants	80,070	80,070
Private grants	86,984	86,984
Investment in SCFA joint venture	<u>4,384,064</u>	<u>4,384,064</u>
Total Investment in General Fixed Assets	<u>\$23,993,511</u>	<u>\$23,755,813</u>

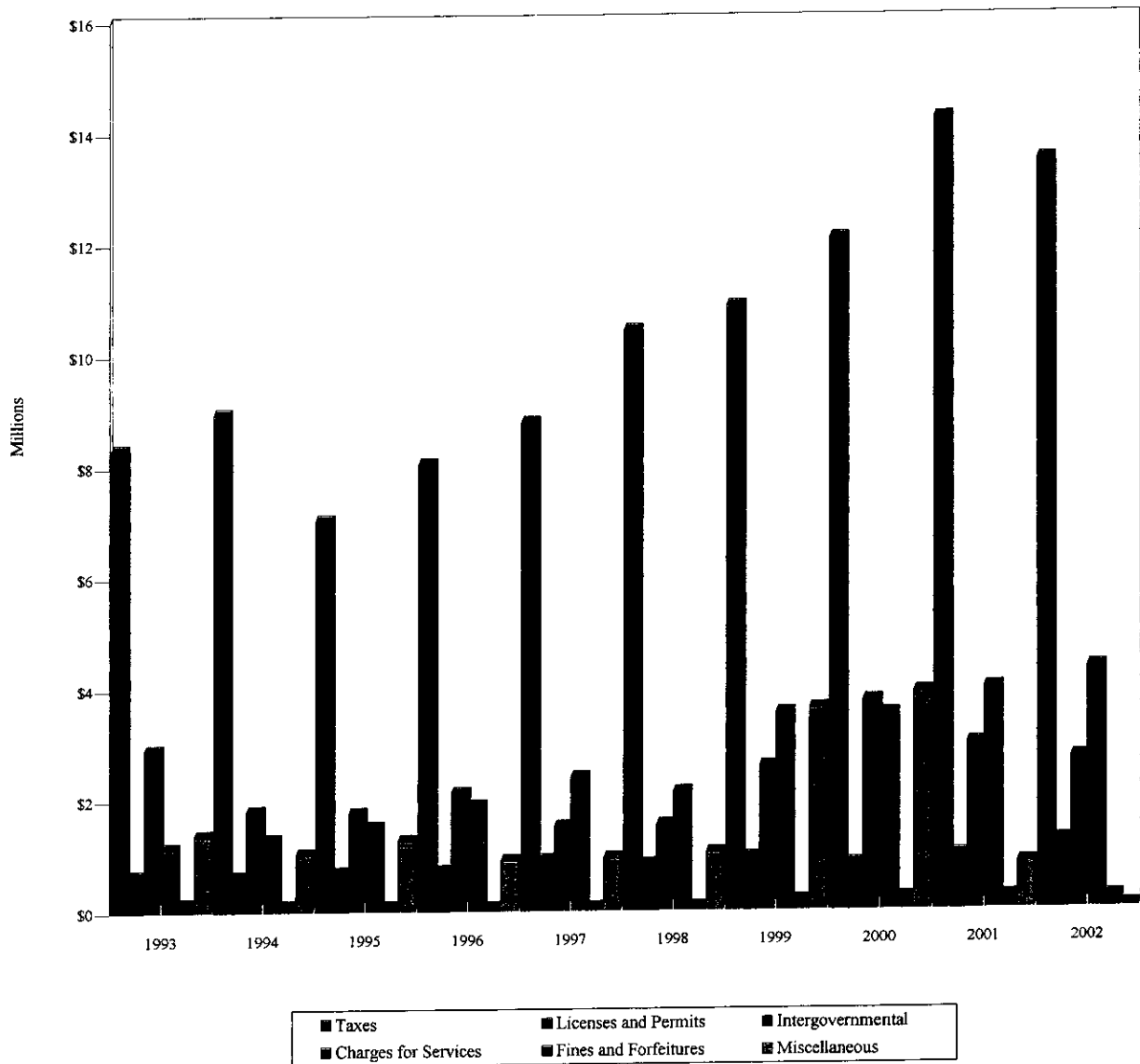
CITY OF BELMONT  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Balance June 30, 2001	Additions	Retirements	Balance June 30, 2002
<b>FUNCTION AND ACTIVITY</b>				
General Government:				
City council	\$7,618			\$7,618
City clerk	18,230			18,230
City manager	10,550			10,550
Technology specialist	171,175			171,175
Finance	107,123			107,123
Planning	13,691			13,691
Government buildings	<u>11,192,354</u>	<u>\$151,308</u>		<u>11,343,662</u>
Total general government	<u>11,520,741</u>	<u>151,308</u>		<u>11,672,049</u>
Public Safety:				
Police:				
Administration	48,975			48,975
Patrol and crime prevention	207,426			207,426
Traffic	15,893			15,893
Investigations	17,955			17,955
Youth services	68,261			68,261
Support services and communication	180,536	48,810		229,346
Records	149,266			149,266
Belmont Fire Protection District	1,129,297			1,129,297
South County Fire Authority	4,384,064			4,384,064
Building inspection	6,402			6,402
Copsmore 96 Grants	<u>133,604</u>	<u>25,731</u>		<u>159,335</u>
Total public safety	<u>6,341,679</u>	<u>74,541</u>		<u>6,416,220</u>
Highways and streets:				
Highways and streets / engineering	70,933	11,849		82,782
Field operations	15,939			15,939
Automotive services	<u>76,118</u>			<u>76,118</u>
Total highways and streets	<u>162,990</u>	<u>11,849</u>		<u>174,839</u>
Culture and recreations:				
Recreation	11,424			11,424
Parks	2,106,492			2,106,492
Open Space Projects	<u>22,827</u>			<u>22,827</u>
Total culture and recreation	<u>2,140,743</u>			<u>2,140,743</u>
Urban redevelopment	<u>3,502,333</u>			<u>3,502,333</u>
Nondepartmental - miscellaneous	<u>87,327</u>			<u>87,327</u>
Total general fixed assets allocated to functions	<u>\$23,755,813</u>	<u>\$237,698</u>		<u>\$23,993,511</u>

CITY OF BELMONT  
SCHEDULE OF GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY  
JUNE 30, 2002

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Total</u>
FUNCTION AND ACTIVITY				
General Government				
City council			\$7,618	\$7,618
City clerk			18,230	18,230
City manager			10,550	10,550
Technology specialist			171,175	171,175
Finance			107,123	107,123
Planning			13,691	13,691
Government buildings	<u>\$2,199,160</u>	<u>\$9,131,077</u>	<u>13,425</u>	<u>11,343,662</u>
Total general government	<u>2,199,160</u>	<u>9,131,077</u>	<u>341,812</u>	<u>11,672,049</u>
Public Safety:				
Police				
Administration			48,975	48,975
Patrol and crime prevention			207,426	207,426
Traffic			15,893	15,893
Investigations			17,955	17,955
Youth services			68,261	68,261
Support services and communication			229,346	229,346
Records			149,266	149,266
Auxiliary Services				
Belmont Fire Protection District	677,100	225,000	227,197	1,129,297
South County Fire Authority		4,384,064		4,384,064
Building inspection			6,402	6,402
Copsmore 96 Grants			159,335	159,335
Total public safety	<u>677,100</u>	<u>4,609,064</u>	<u>1,130,056</u>	<u>6,416,220</u>
Highways and streets:				
Highways and streets / engineering	12,665		70,117	82,782
Field operations			15,939	15,939
Automotive services			76,118	76,118
Total highways and streets	<u>12,665</u>		<u>162,174</u>	<u>174,839</u>
Culture and recreations:				
Recreation			11,424	11,424
Parks	2,012,505	53,342	40,645	2,106,492
Open Space Projects		10,827	12,000	22,827
Total culture and recreation	<u>2,012,505</u>	<u>64,169</u>	<u>64,069</u>	<u>2,140,743</u>
Urban redevelopment	<u>1,674,888</u>	<u>1,800,080</u>	<u>27,365</u>	<u>3,502,333</u>
Nondepartmental - miscellaneous			87,327	87,327
Total general fixed assets allocated to functions	<u>\$6,576,318</u>	<u>\$15,604,390</u>	<u>\$1,812,803</u>	<u>\$23,993,511</u>

**CITY OF BELMONT  
GENERAL GOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

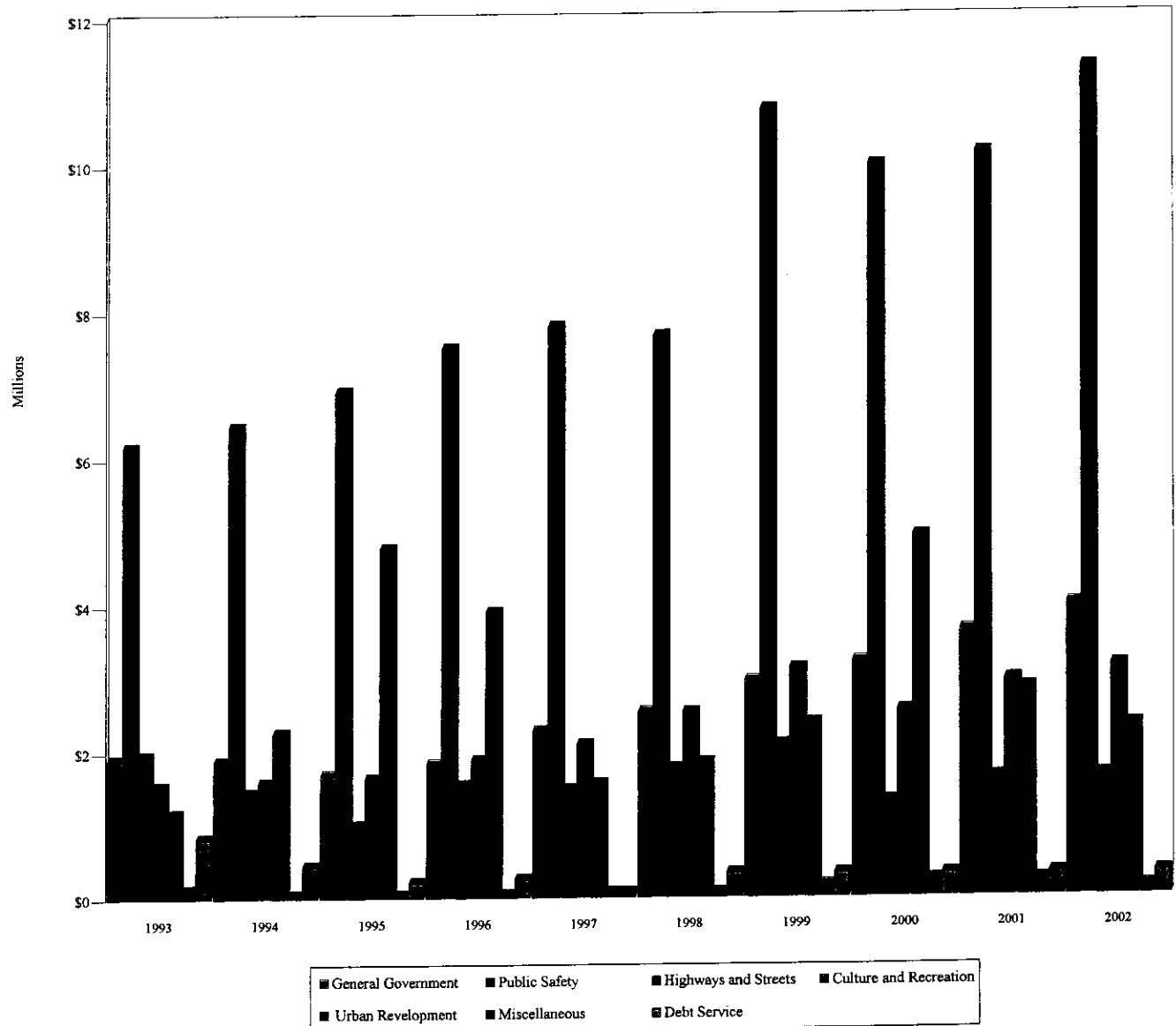


Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Miscellaneous	Total
1993	\$8,315,307	\$646,238	\$2,906,980	\$1,140,905	\$138,381	\$1,363,601	\$14,511,412
1994	8,950,407	630,425	1,801,548	1,286,743	95,152	1,023,370	13,787,645
1995	7,027,964	694,821	1,759,892	1,511,474	84,205	1,271,300	12,349,656
1996	8,036,178	721,987	2,122,198	1,891,198	67,370	909,975	13,748,906
1997	8,783,608	920,312	1,512,683	2,401,165	62,303	947,163	14,627,234
1998	10,435,265	836,530	1,539,278	2,130,041	69,899	1,014,399	16,055,412
1999	10,868,996	950,839	2,586,369	3,554,358	171,782	3,632,616	21,764,960
2000	12,076,017	833,494	3,762,046	3,525,113	205,720	3,913,976	24,316,366
2001	14,237,689	981,062	2,989,980	3,985,618	218,520	831,511	23,244,380
2002	13,472,303	1,216,664	2,712,770	4,334,488	200,885	35,471	21,972,581

Includes General and Special Revenue Funds only.



CITY OF BELMONT  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS

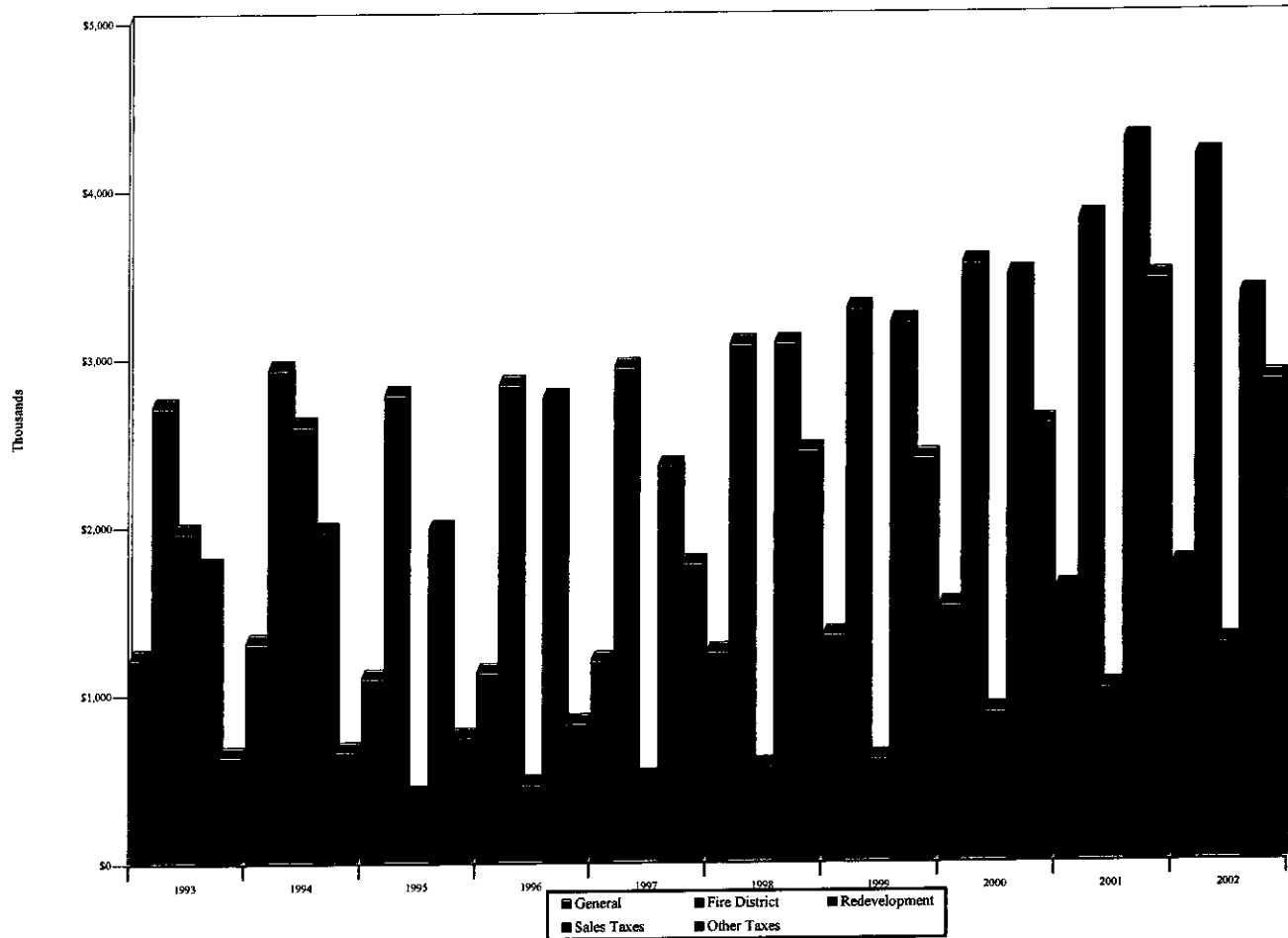


Fiscal Year	General Government	Public Safety	Highways and Streets	Culture and Recreation	Urban Redevelopment/ Capital outlay	Miscellaneous	Debt Service	Total
1993	\$1,895,169	\$6,169,671	\$1,954,509	\$1,535,082	\$1,154,886	\$123,035	\$817,787	\$13,650,139
1994	1,865,904	6,443,732	1,440,666	1,575,599	2,257,680	40,916	442,756	14,067,253
1995	1,679,167	6,919,496	992,298	1,634,563	4,784,776	39,802	211,998	16,262,100
1996	1,831,869	7,516,603	1,545,680	1,886,837	3,908,373	45,492	259,475	16,994,329
1997	2,281,885	7,801,829	1,489,784	2,101,664	1,559,685	78,171	72,902	15,385,920
1998	2,536,050	7,678,109	1,768,121	2,537,821	1,849,519	71,534	330,430	16,771,584
1999	2,964,215	10,771,713	2,094,863	3,129,988	2,378,995	169,773	330,103	21,839,650
2000	3,223,186	9,999,503	1,321,308	2,557,352	4,935,031	234,872	318,529	22,589,781
2001	3,641,150	10,157,683	1,635,427	2,962,215	2,846,640	222,458	317,421	21,782,994
2002	3,994,858	11,317,343	1,651,753	3,145,395	2,338,805	120,881	315,839	22,884,874

Includes General and Special Revenue Funds only.

Source: City Annual Financial Report

CITY OF BELMONT  
TAX REVENUES BY SOURCE  
GENERAL AND SPECIAL REVENUE FUNDS  
LAST TEN FISCAL YEARS

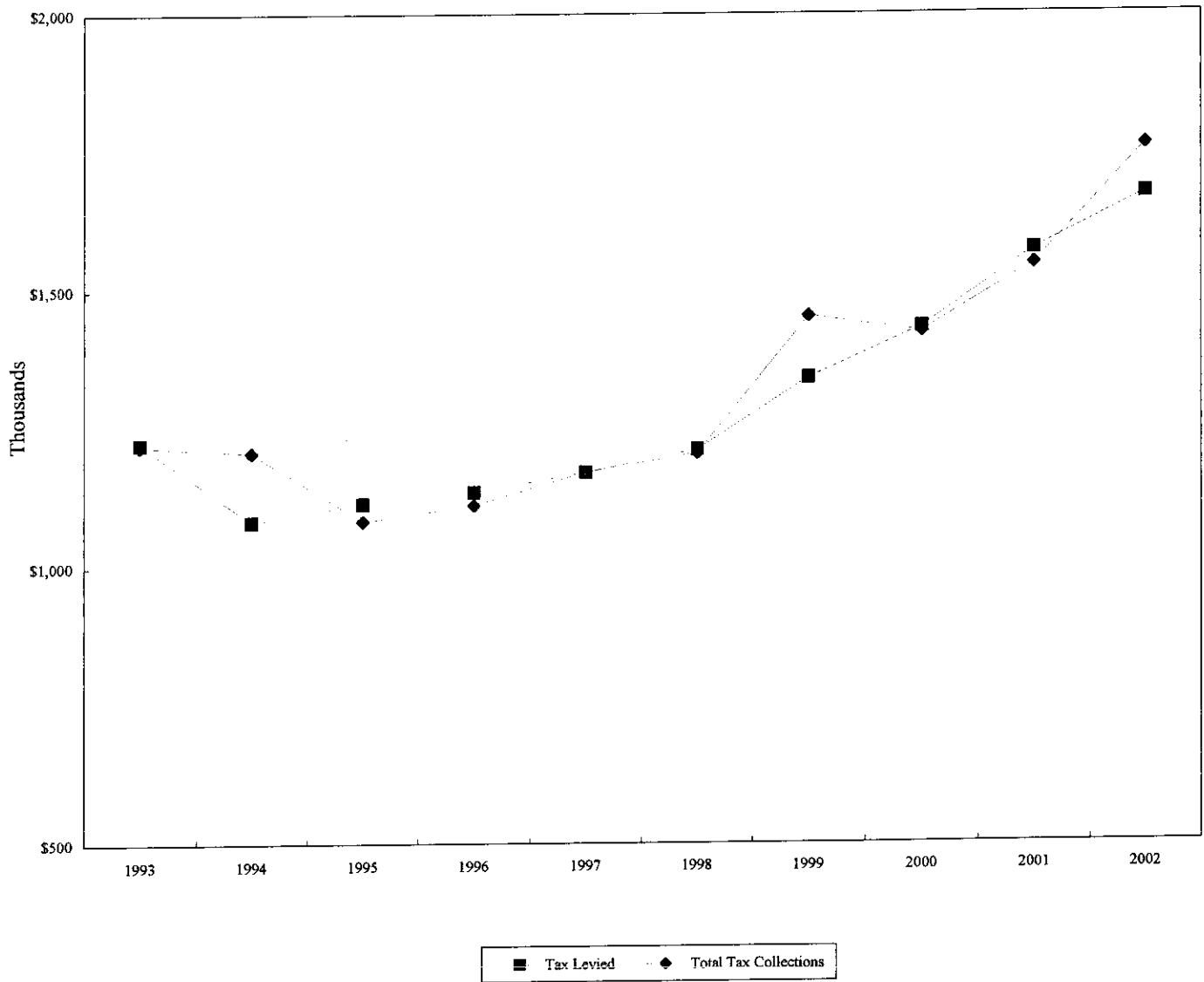


Fiscal Year	Property Taxes			Sales Taxes	Other Taxes	Total
	General	Fire District	Redevelopment			
1993	\$1,221,714	\$2,715,736	\$1,970,267	\$1,768,500	\$639,090	\$8,315,307
1994	1,310,421	2,938,878	2,603,147	1,973,723	667,238	9,493,407
1995	1,100,873	2,787,893	404,929 (1)	1,985,696	748,573	7,027,964
1996	1,131,512	2,845,101	465,345	2,766,098 (2)	828,122	8,036,178
1997	1,201,437	2,945,573	500,857	2,360,449	1,775,292 (3)	8,783,608
1998	1,250,888	3,080,201	\$60,942	3,086,514	2,447,720	10,435,265
1999	1,350,414	3,290,744	614,016	3,211,047	2,402,775	10,868,996
2000	1,524,274	3,562,326	890,625	3,490,405	2,608,387	12,076,017
2001	1,621,761	3,826,490	1,030,835	4,290,929	3,467,674	14,237,689
2002	1,760,335	4,191,942	1,292,855	3,365,542	2,861,629	13,472,303

- (1) Redevelopment tax increment revenue, other than those dedicated to low and moderate income housing, were transferred to a debt service fund to more easily demonstrate compliance with bond covenants, statutes, and regulations.
- (2) \$307,300 of accruals are included to comply with GASB Statement 22 and the implementation recommendations of the California Committee on Municipal Accounting.
- (3) Beginning 1997, Gas Tax was reclassified to the Other Taxes category.

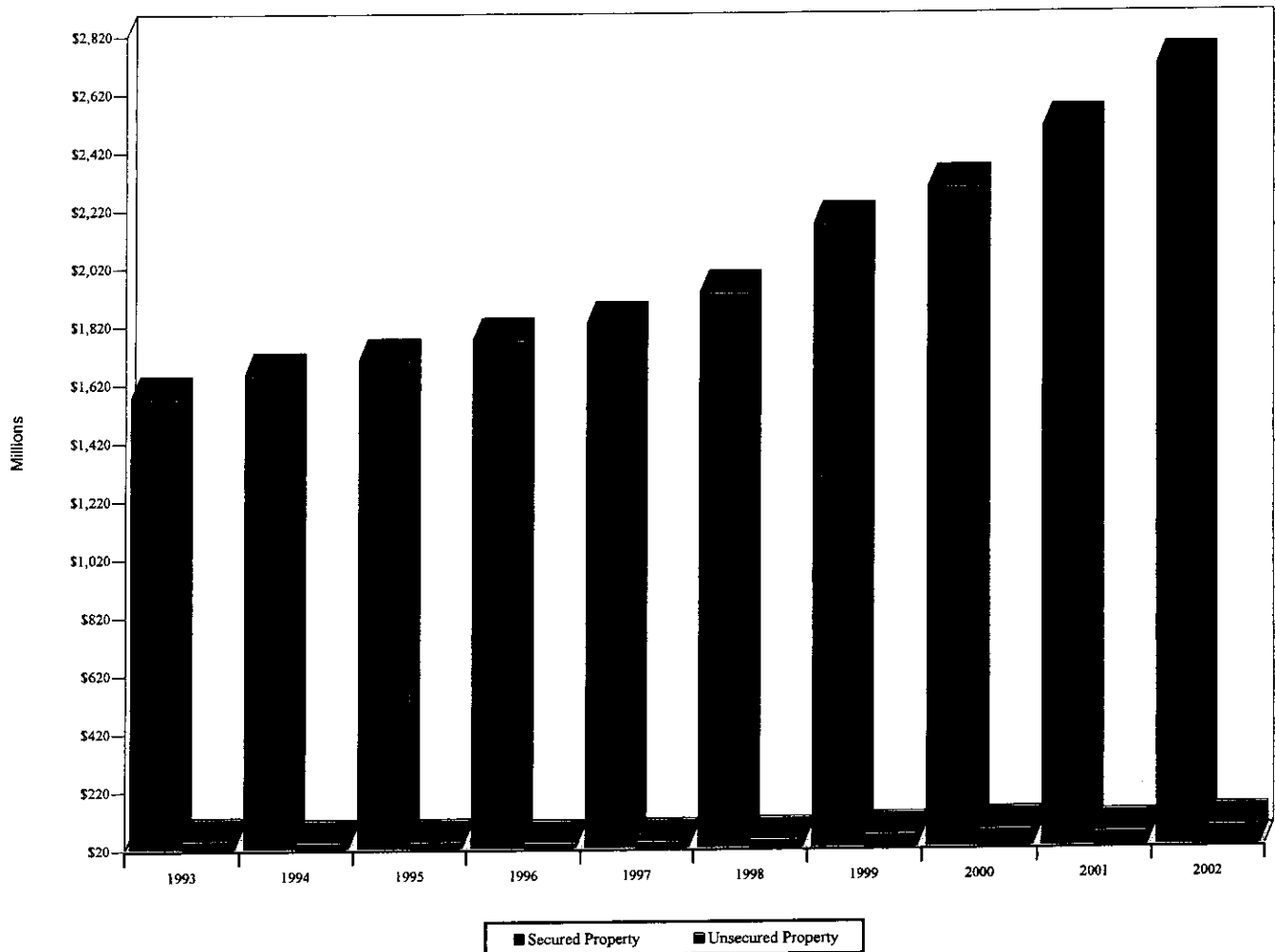
Source: City of Belmont Finance Department

CITY OF BELMONT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS



Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1993	\$1,223,515	\$1,186,670	96.99%	\$32,744	\$1,219,414	99.66%
1994	1,082,406	1,143,832	105.67%	63,571	1,207,403	111.55%
1995	1,115,140	1,076,141	96.50%	6,649	1,082,790	97.10%
1996	1,135,373	1,108,891	97.67%	2,585	1,111,476	97.90%
1997	1,171,202	1,170,860	99.97%	348	1,171,208	100.00%
1998	1,211,594	1,204,882	99.45%	268	1,205,150	99.47%
1999	1,341,158	1,452,022	108.27%	0	1,452,022	108.27%
2000	1,432,436	1,424,328	99.43%	0	1,424,328	99.43%
2001	1,572,315	1,545,715	98.31%	0	1,545,715	98.31%
2002	1,672,761 <sup>1</sup>	1,760,334 <sup>2</sup>	105.24%	0	1,760,334	105.24%

**CITY OF BELMONT  
ASSESSED VALUE OF PROPERTY  
LAST TEN FISCAL YEARS**

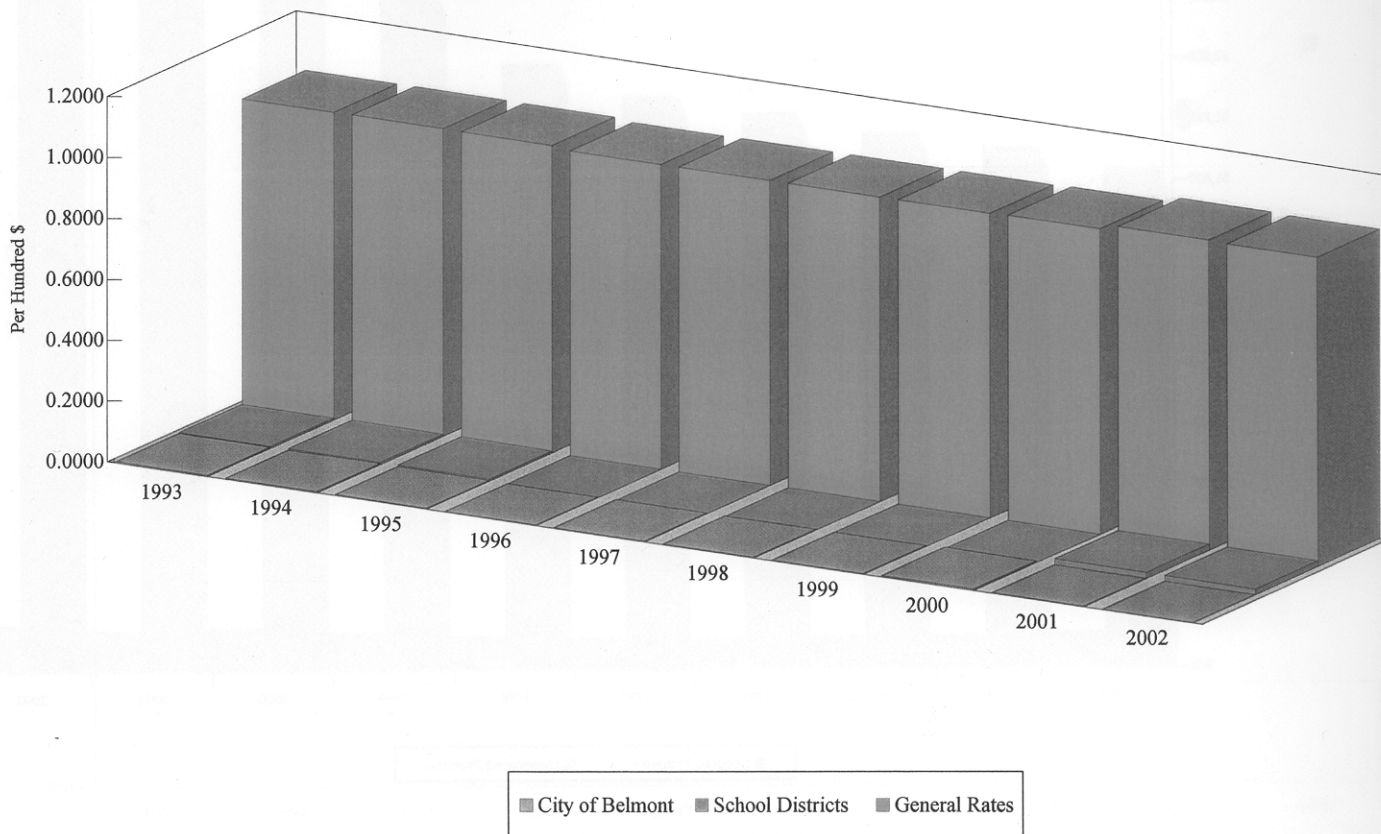


Fiscal Year Ended June 30	Secured Property (1)		Unsecured Property		Total		Assessed to Estimated Actual Value	Increased From Prior Year
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1993	\$1,576,972,473	\$1,576,972,473	\$57,977,038	\$57,977,038	\$1,634,949,511	\$1,634,949,511	100%	4.25%
1994	1,655,640,981	1,655,640,981	50,156,103	50,156,103	1,705,797,084	1,705,797,084	100%	4.33%
1995	1,703,215,852	1,703,215,852	51,696,385	51,696,385	1,754,912,237	1,754,912,237	100%	2.88%
1996	1,772,483,691	1,772,483,691	47,775,810	47,775,810	1,820,259,501	1,820,259,501	100%	3.72%
1997	1,827,224,779	1,827,224,779	51,100,152	51,100,152	1,878,324,931	1,878,324,931	100%	3.19%
1998	1,933,335,022	1,933,335,022	55,751,346	55,751,346	1,989,086,368	1,989,086,368	100%	5.90%
1999	2,168,551,278	2,168,551,278	71,368,340	71,368,340	2,239,919,618	2,239,919,618	100%	12.61%
2000	2,296,128,061	2,296,128,061	86,023,139	86,023,139	2,382,151,200	2,382,151,200	100%	6.35%
2001	2,501,518,475	2,501,518,475	75,436,853	75,436,853	2,576,955,328	2,576,955,328	100%	8.18%
2002	2,714,136,262	2,714,136,262	94,770,443	94,770,443	2,808,906,705	2,808,906,705	100%	9.00%

SOURCES: SAN MATEO COUNTY CONTROLLER

(1) Secured Property includes State Board Roll (Unitary tax)

CITY OF BELMONT  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS



Supplemental Debt Service Tax Rates

Fiscal Year	City of Belmont	School Districts	General Rates	Total
1993	0.0041	0.0063	1.0000	\$1.0104
1994	0.0038	0.0070	1.0000	1.0108
1995	0.0029	0.0069	1.0000	1.0098
1996	0.0014	N/A	1.0000	1.0014
1997	0.0023	N/A	1.0000	1.0023
1998	0.0016	N/A	1.0000	1.0016
1999	0.0015	N/A	1.0000	1.0015
2000	0.0050	N/A	1.0000	1.0050
2001	0.0011	0.0203	1.0000	1.0214
2002	0.0000	0.0184	1.0000	1.0184

Source: San Mateo County Controller - Rates are per \$100 of assessed value.

CITY OF BELMONT  
PRINCIPAL PROPERTY TAXPAYERS  
JUNE 30, 2002

Property Owner	Use	2001/2002 Taxable Value	% of Total Value
Six Hundred Clipper Drive LLC	Office	\$42,450,000	1.51%
1001 E Hillsdale LLC	Office	38,250,000	1.36%
Nikon Precision Inc.	Office	37,580,063	1.34%
Innkeepers Summerfield General	Hotel	27,156,445	0.97%
Oracle Corporation	Office	23,374,231	0.83%
Davis Associates	Office	20,522,774	0.73%
Safeway Stores Inc.	Grocery Store	16,867,111	0.60%
Carlmont Heights LLC	Apartments	11,236,320	0.40%
McClellan Estate Company	Multi-Family Housing	10,459,017	0.37%
Belmar Lesessee	Office	9,402,623	0.33%
	Totals	<u>\$237,298,584</u>	
	Total Assessed Value	<u>\$2,808,906,705</u>	

Source: County of San Mateo Assessor's Office

CITY OF BELMONT  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2002

ASSESSED VALUATION:

Secured property assessed value	\$2,810,114,176
Addback: exempt real property	<u>89,263,507</u>
Total Assessed Valuation	<u><u>\$2,899,377,683</u></u>

BONDED DEBT LIMIT (15% OF ASSESSED VALUE)	\$434,906,652
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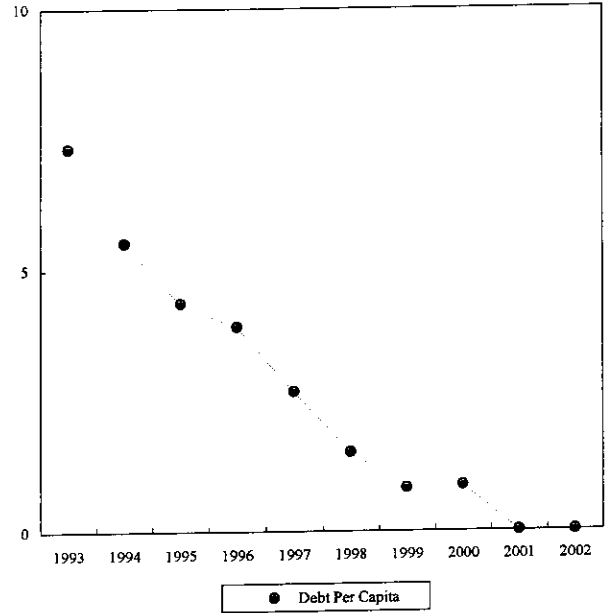
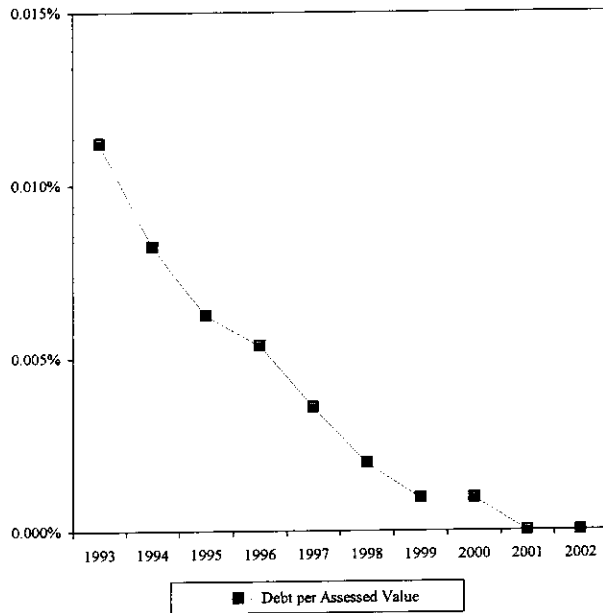
AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	0
Amount of Debt subject to Limit	<u>0</u>

LEGAL DEBT MARGIN	<u><u>\$434,906,652</u></u>
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SOURCE: City of Belmont Finance Department.

CITY OF BELMONT  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUE AND NET GENERAL OBLIGATION  
BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS



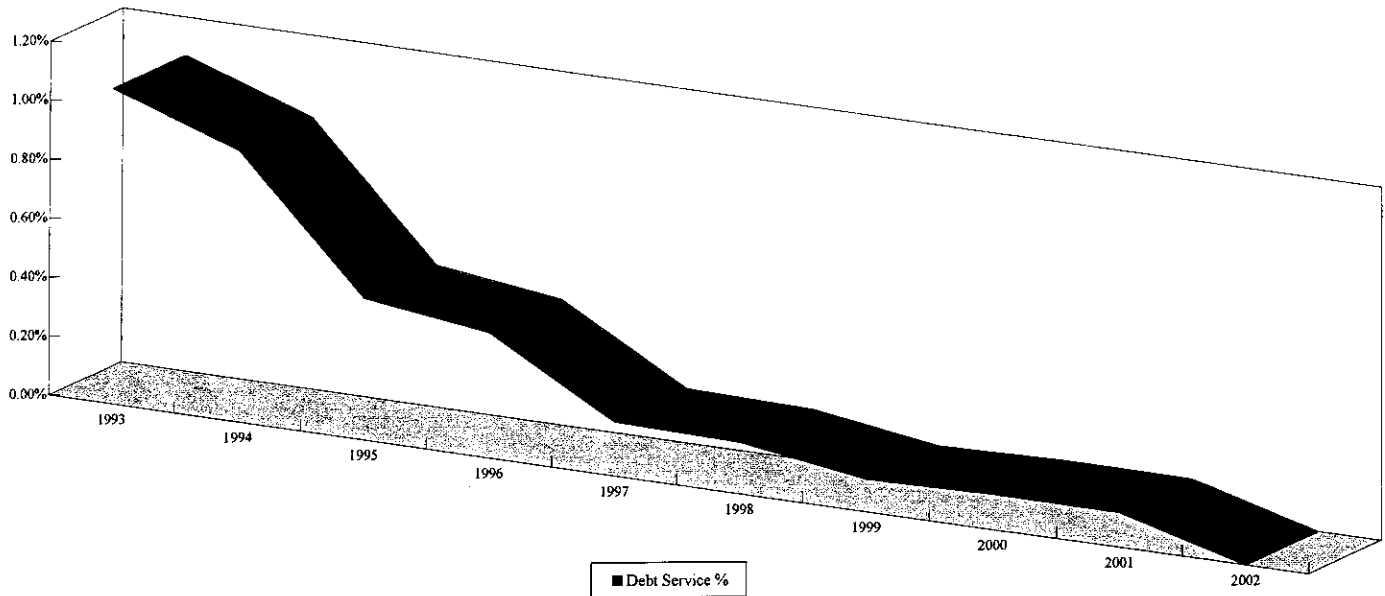
Fiscal Year	Population	Gross Assessed Value	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Bonded Debt to Assessed Valuation	Bonded Debt Per Capita
1993	25,050	\$1,634,949,511	\$335,000	\$151,651	\$183,349	0.011%	7
1994	25,450	1,705,797,084	230,000	89,523	140,477	0.008%	6
1995	25,103	1,754,912,237	170,000	60,468	109,532	0.006%	4
1996	24,950	1,820,259,501	110,000	12,218	97,782	0.005%	4
1997	25,218	1,878,324,931	90,000	22,653	67,347	0.004%	3
1998	25,919	1,989,086,368	70,000	30,823	39,177	0.002%	2
1999	26,100	2,239,919,618	50,000	28,675	21,325	0.001%	1
2000	26,173	2,382,151,200	25,000	2,308	22,692	0.001%	1
2001	25,247	2,576,955,328	0	0	0	0.000%	0
2002	25,255	2,810,114,176	0	0	0	N/A	0

Note: Debt repaid in full in fiscal year 2000-2001.

Source: City of Belmont Finance Department



CITY OF BELMONT  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO  
TOTAL GENERAL GOVERNMENTAL FUND EXPENDITURES  
LAST TEN FISCAL YEARS



Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Debt Service to Governmental Fund Type Expenditures
1993	\$104,813	\$51,109	\$155,922	\$13,650,139	1.07%
1994	105,000	24,735	129,735	14,067,253	0.92%
1995	60,000	18,148	78,148	16,262,100	0.48%
1996	60,000	12,300	72,300	16,994,329	0.43%
1997	20,000	8,320	28,320	15,385,920	0.18%
1998	20,000	9,438	29,438	16,771,584	0.18%
1999	20,000	4,200	24,200	21,839,650	0.11%
2000	25,000	2,308	27,308	22,589,781	0.12%
2001	25,000	875	25,875	21,782,994	0.12%
2002	0	0	0	23,951,403	0.00%

Note: Debt repaid in full in fiscal year 2000-2001.

Source: Belmont Annual Financial Report

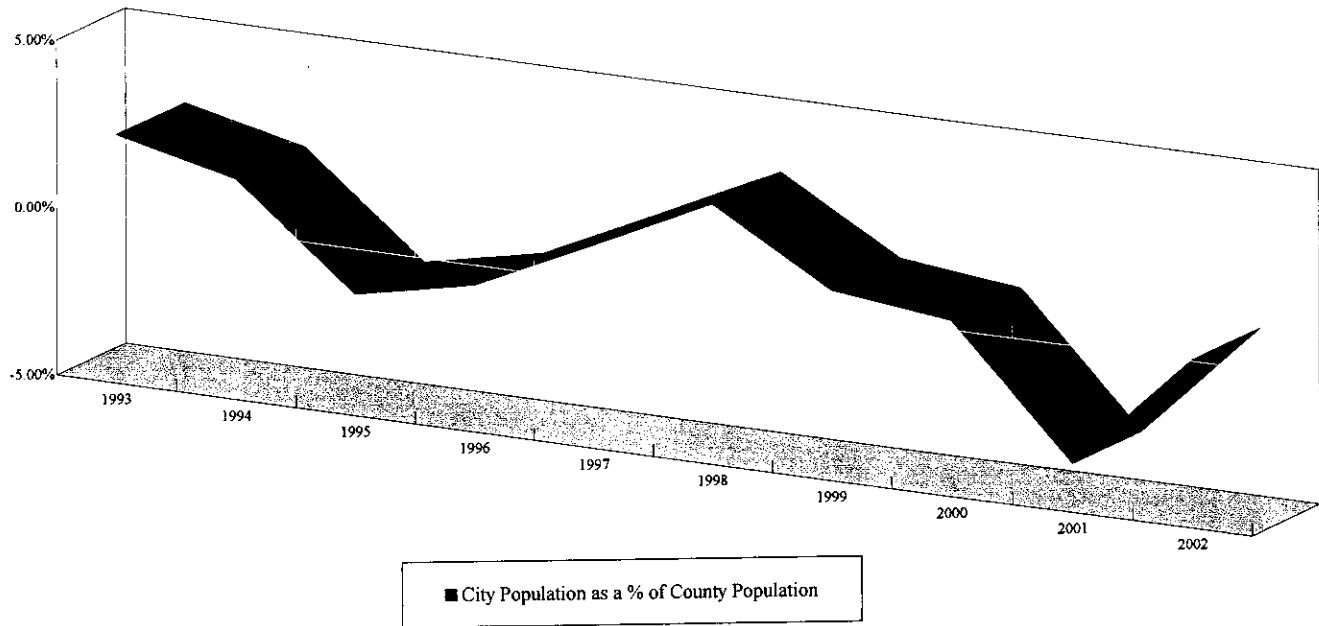
CITY OF BELMONT  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2002

JURISDICTION	Net Debt Outstanding	Percentage Applicable To City of Belmont	Amount Applicable To City of Belmont
San Mateo County General Fund Obligations	\$278,795,369	2.764%	\$7,705,904
San Mateo County Board of Education Certificates of Participation	5,140,014	2.764%	142,070
Belmont School District Certificates of Participation	5,825,000	36.944%	2,151,988
San Mateo County Mosquito Abatement District Certificates of Participation	2,095,007	3.765%	78,877
Sequoia Union High School District Certificates of Participation	73,059,997	6.922%	5,057,213
Belmont School District	12,354,999	36.919%	4,561,342
San Mateo-Foster City School District	<u>105,731,579</u>	0.019%	<u>20,089</u>
TOTAL NET DIRECT & OVERLAPPING BONDED DEBT	<u>\$483,001,965</u>		<u>\$19,717,483</u> (1)

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

SOURCE: California Municipal Statistics, Inc.

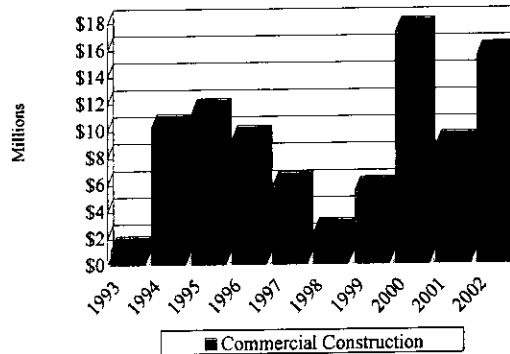
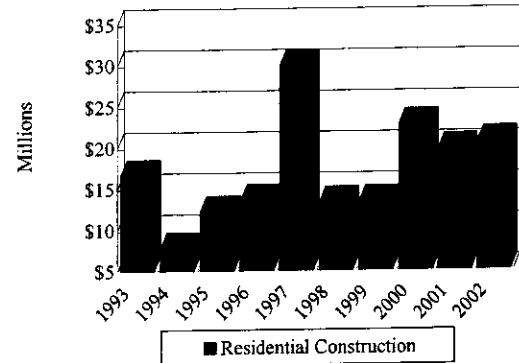
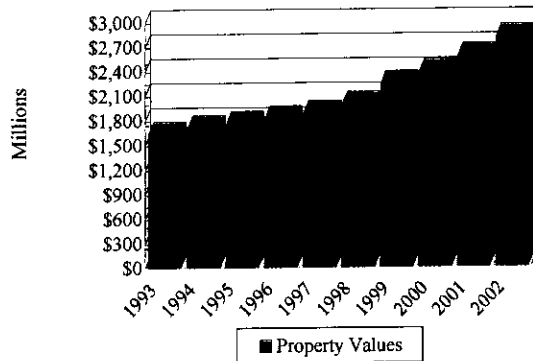
CITY OF BELMONT  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS



Fiscal Year	City Population (1)	Population Percent Change	San Mateo County Population (1)	City Population % of County
1993	25,050	2.42%	677,027	3.70%
1994	25,450	1.60%	687,838	3.70%
1995	25,103	-1.36%	697,306	3.60%
1996	24,950	-0.61%	693,056	3.60%
1997	25,218	1.07%	700,500	3.60%
1998	25,919	2.78%	715,382	3.62%
1999	26,100	0.70%	722,762	3.61%
2000	26,173	0.28%	730,029	3.59%
2001	25,247	-3.54%	712,366	3.54%
2002	25,255	0.03%	717,006	3.52%

(1) Source - State of California Department of Finance

**CITY OF BELMONT**  
**PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS**  
**LAST TEN FISCAL YEARS**



Fiscal Year	Property Values (1)	Commercial Construction (2)		Residential Construction (2)	
		Number of Permits	Value	Number of Permits	Value
1993	\$1,634,949,511	53	\$1,150,855	588	\$16,693,368
1994	1,705,797,084	54	10,221,320	645	7,811,283
1995	1,754,912,237	68	11,338,413	599	12,278,773
1996	1,820,259,501	73	9,348,668	711	13,629,372
1997	1,878,324,931	64	5,912,868	839	30,023,862
1998	1,989,086,368	66	2,388,780	700	13,341,132
1999	2,239,919,618	59	5,499,446	674	13,438,925
2000	2,382,151,200	80	17,284,900	829	22,740,492
2001	2,576,955,328	75	8,852,932	972	19,729,234
2002	2,810,114,176	105	15,481,625	945	20,605,515

Source: (1) San Mateo County Auditor - Controller's Assessed Value Summaries  
(2) City of Belmont Community Development Department

CITY OF BELMONT  
MISCELLANEOUS STATISTICS  
June 30, 2002

Date of Incorporation: Belmont was incorporated as a General Law City in 1926.

Form of Government: Council/Manager

Authorized Employees as June 30, 2002 (including Police):

Elected:	
Mayor	1
Council	4
Treasurer	1
City Clerk	1
Appointed:	
City Manager	1
Assistant City Manager	1
Department heads	6
Other full-time employees	124
Total	<u>139</u>

Area in square miles: 4.61

Miles of streets and alleys: 71

Number of street lights: 1,087

Miles of storm drains: 27

Police protection:

Commissioned personnel:	36
Noncommissioned personnel (full-time):	<u>15</u>
	51

Parks and Recreation:

Number of developed parks:	14
Acreage of developed parks:	58.5
Acreage of open space	302
Community buildings:	
Barrett Community Center	
Twin Pines Lodge	
Twin Pines Senior and Community Center	

Fire Protection:

Provided by South County Fire Authority through the Belmont Fire protection District which serves the Cities of Belmont and San Carlos.

Number of fire fighters:	53
Number of fire stations (Belmont):	2

Sanitary Sewer Services:

Provided by the South Bayside System Authority which serves Belmont, San Carlos, Redwood City, and Menlo Park.

Miles of sewers (Belmont):	85
Number of service connections (Belmont):	8,618
Average daily treatment in gallons (Belmont):	1.8 million
Average daily treatment in gallons (total):	17 million
Maximum daily treatment capacity in gallons:	29 million

Water services:

Provided by the Belmont County Water District

**CITY OF BELMONT  
TEN LARGEST USERS OF THE SEWER SYSTEM**

<u>User</u>	<u>Type</u>	<u>Fiscal Year 2001-02 Revenues</u>
Motel 6	Commercial	\$46,343
Normandy Square Associates, LLC	Multifamily Residential	\$35,112
College of Notre Dame	Institutional	\$26,181
McLellan Estate Co. (707 Old County Rd.)	Multifamily Residential	\$25,493
City of Belmont	City	\$24,895
Summerfield Suites	Commercial	\$23,049
McLellan Estate Co. (510 Crestview Ave)	Multifamily Residential	\$22,740
Panos Gus P	Multifamily Residential	\$21,477
McLellan Estate Co. (301 Old County Rd)	Multifamily Residential	\$21,477
Continental Belmont Partnership	Multifamily Residential	\$20,761

Source: City of Belmont  
Required per 2001 Sewer Revenue Bonds Continuing Disclosure.

**NUMBER OF SEWER SERVICE USERS**

<u>User Type</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
All Users	8,200	9,038 <sup>(1)</sup>	8,611 <sup>(2)</sup>	8,512 <sup>(3)</sup>	8,618

<sup>(1)</sup> Increase due to a change in billing procedures to include all parcels, developed or undeveloped.  
<sup>(2)</sup> Decline due to a change from a flat rate to a metered rate system.  
<sup>(3)</sup> Decline due to adjustment of consolidated parcels.  
Source: City of Belmont

**SEWER SERVICE REVENUES BY CLASS OF USER  
As of June 30, 2002**

<u>User Class</u>	<u>Revenue</u>	<u>Percent</u>
Single Family & Multiple Family Residential	\$5,588,107	81.27%
Commercial/Institutional	596,471	18.73%
Total Revenue	\$3,184,579	

Source: City of Belmont

CITY OF BELMONT  
SEWER SYSTEM  
SUMMARY STATEMENT OF HISTORICAL  
REVENUE AND EXPENDITURES  
LAST FIVE FISCAL YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
REVENUES					
Charges for services	\$2,889,420	\$2,807,915	\$2,990,564	\$2,925,668	\$3,184,579
Connection charges	29,750	149,014	71,064	187,538	178,446
Miscellaneous charges			44,737	7,734	(490)
Interest revenue	93,688	64,212	33,886	70,327	151,908
Joint venture interest	<u>(135,037)</u>	<u>(123,047)</u>	<u>(197,366)</u>	<u>(342,254)</u>	<u>(159,400)</u>
Total Revenues	<u>2,877,821</u>	<u>2,898,094</u>	<u>2,942,885</u>	<u>2,849,013</u>	<u>3,355,043</u>
OPERATING EXPENSES					
Personnel services	593,901	666,413	633,717	752,309	834,950
Sewer treatment services	801,852	830,009	943,378	876,672	916,889
Supplies, materials and services	1,049,147	1,297,809	1,329,640	2,119,653	1,553,815
Interest Expense					<u>41,706</u>
Total Expenses	<u>2,444,900</u>	<u>2,794,231</u>	<u>2,906,735</u>	<u>3,748,634</u>	<u>3,347,360</u>
Total Operating Transfers (1)		<u>(137,700)</u>	<u>(204,992)</u>	<u>(105,300)</u>	<u>(1,010,125)</u>
AMOUNTS AVAILABLE FOR DEBT SERVICE	<u>\$432,921</u>	<u>(\$33,837)</u>	<u>(\$168,842)</u>	<u>(\$1,004,921)</u>	<u>(\$1,002,442)</u>
DEBT SERVICE COVERAGE RATIO	N/A	N/A	N/A	N/A	N/A

(1) Includes transfers for storm drain improvements that mitigate infiltration and intrusion into the sewage system.

Source: City of Belmont